ANGLOGOLD ASHANTI LTD
Form 6-K
March 30, 2010

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 30, 2010
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: Press release

ANGLOGOLD ASHANTI ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009, PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

09

Annual Financial Statements 2009
Building a strong foundation

Forward-looking statements

Certain statements contained in this document, including, without limitation, those concerning AngloGold Ashanti Limited's (AngloGold Ashanti) strategy
to reduce its gold hedging position, including the extent and effect of the hedge reduction, the economic outlook for the gold mining industry, expecta-
tions regarding gold prices, production, cash costs and other operating results, growth prospects and outlook of AngloGold Ashanti's operations, individ-
ually or in the aggregate, including the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and pro-
duction projects and completion of acquisitions and dispositions, AngloGold Ashanti's liquidity and capital resources and capital expenditure, and the out-
come and consequence of any pending litigation proceedings, contain certain forward-looking statements regarding AngloGold Ashanti's operations, eco-
nomic performance and financial condition. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements 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, amongst other factors, changes in economic and market conditions, success of business and oper-
ating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, and business and
operational risk managements. For a discussion of such risk factors, refer to the section titled "Risk management and internal controls" in these annual
financial 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 these annual financial statements or to reflect the occurrence of unanticipated events. 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.

Mr M Cutifani
(51) (Australian)
Mr S Venkatakrishnan
(Venkat)
(44) (British)
Mr RP Edey
(67) (British)
Mr FB Arisman
(65) (American)
Mr WA Nairn
(65) (South African)
Prof LW Nkuhlu
(65) (South African)
Mr SM Pityana
(50) (South African)

Independent Non-executive Directors
Independent Non-executive
Chairman
Chief Executive Officer
Executive Director
Chief Financial Officer
Executive Director

Dr TJ Motlatsi
(58) (South African)
Independent Non-executive
Deputy Chairman
More detailed biographical information is presented in the section *Board of directors* on pages 134 – 136 of this report.
Board of directors

Contents
AngloGold Ashanti Annual Financial Statements 2009
P
1

Contents

AngloGold Ashanti Annual Financial Statements 2009

Vision, mission and values

P

2

Our vision

To be the leading mining company.

Our mission

We 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 and 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 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 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.

The communities and societies in which we operate will 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 host communities with a sustainable future.

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.

AngloGold Ashanti Annual Financial Statements 2009
Scope of report
P
4

Scope of report

The suite of 2009 annual reports produced by AngloGold Ashanti Limited (AngloGold Ashanti) includes:

- Annual Financial Statements 2009
- Mineral Resource and Ore Reserve Report 2009
- Sustainability Review 2009
-

These reports and documents communicate to our stakeholders and business partners on all aspects of AngloGold Ashanti's operating and financial performance for the 2009 financial year, from 1 January 2009 to 31 December 2009. Those to whom the company seeks to communicate include: shareholders; investors; employees and their representatives; the communities among whom AngloGold Ashanti operates; and regional and national governments.

The **Annual Financial Statements 2009**, an extensive review of the year in both web-based and printed formats, from operational, financial and market perspectives, was prepared in accordance with: International Financial Reporting Standards (IFRS); the South African Companies Act, 61 of 1973; and the Listings Requirements of the JSE Limited (JSE). In compiling both the Annual Financial Statements 2009 and the Sustainability Review 2009, the guidelines on integrated reporting of the King Report on Governance for South Africa 2002 (King II) were taken into account. This report, which includes a separate Notice of Meeting, is submitted to the JSE in South Africa and to the London, New York, Ghanaian and Australian stock exchanges, as well as to the Paris and Brussels bourses. It is also furnished with the United States Securities and Exchange Commission (SEC) on a Form 6-K. In compliance with the rules governing its listing on the New York Stock Exchange and in accordance with the accounting principles generally accepted in the United States, AngloGold Ashanti prepares an annual report on Form 20-F in accordance with US Generally Accepted Accounting Principles (US GAAP). The Form 20-F for the 2009 financial year must be filed with the SEC by no later than 30 June 2010.

In the **Mineral Resource and Ore Reserve Report 2009**, AngloGold Ashanti's Mineral Resource and Ore Reserve are reported in accordance with the South African Code for Reporting of Exploration Results, Mineral Reserves and Mineral Resources (SAMREC 2007 Edition) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004). Competent persons in terms of these codes have prepared, reviewed and confirmed the Mineral Resource and Ore Reserve reported. The Annual Financial Statements 2009 contains a summary of the group's Mineral Resource and Ore Reserve as detailed in the Mineral Resource and Ore Reserve Report 2009. These reserves are used in the preparation of the annual financial statements in accordance with IFRS.

The **Sustainability Review 2009,** *Tomorrow's gold*: *issues that matter*, provides a group-level overview of AngloGold Ashanti's key sustainability issues and is available in both a printed format and as a web-based report. A supplementary report, available as a pdf on the website, presents additional, more detailed information and data on group sustainability performance. AngloGold Ashanti's sustainability reporting is prepared in line with the Global Reporting Initiative (GRI) G3 guidelines and complies with the sustainable development framework of the International Council of Metals and Mining (ICMM). Case studies in the supplementary report give insight into management's approach to issues of sustainability. In addition, the country reports provide insight into and data on sustainability management at an operational level. These reports are intended to facilitate local engagement processes and to meet the information needs of local stakeholders regarding the company.

A separate document, the **Abridged Report 2009,** which contains extracts of key information from the Annual Financial Statements 2009 as well as the notice of meeting to shareholders and the form of proxy, has been produced for distribution to all shareholders.

A compact disc, containing the web-based versions of the Annual Financial Statements and the Sustainable Development Report and downloadable pdfs of all these reports, will be distributed to all shareholders together with the Abridged Report 2009.

Hard copies of all these reports, which are integral to AngloGold Ashanti's communication programme with its shareholders and business partners, may be requested from the contacts listed at the end of this report.

Note:

- Unless otherwise stated, $ or dollar refers to US dollars throughout this suite of reports.

- References to “group” and “company” are used interchangeably in the narrative of this report, except in the financial statements of the group and company.
- To familiarise yourself with the terminology used in this report, please refer to the section on Non-GAAP disclosures and the Glossary of terms.
- Locations on maps are for indication purposes only.

Mali
Morila
137,000oz
Sadiola
135,000oz
Yatela
89,000oz
Guinea
Siguiri 316,000oz
Ghana
Iduapriem
190,000oz
Obuasi
381,000oz
USA
Cripple Creek & Victor 218,000oz
Argentina
Cerro Vanguardia
192,000oz
Operations
New exploration
Colombia
Quebradona
Gramalote
La Colosa
Brazil
Serra Grande
77,000oz
Brasil Mineração
329,000oz
Canada
Exploration
AngloGold Ashanti Annual Financial Statements 2009
Corporate profile
P
6
A truly global gold
producer

South Africa
Great Noligwa
158,000oz
Kopanang
336,000oz
Moab Khotsong
247,000oz
Tau Lekoa
124,000oz
Surface operations
164,000oz
West Wits
Mponeng
520,000oz
Savuka
30,000oz
TauTona
218,000oz
Australia
Sunrise Dam
401,000oz
Tropicana
Namibia
Tanzania
Geita 272,000oz
China
Yili Yunglong
Jinchanggou
DRC
Mongbwalu
Kibali
Russia
Veduga
Philippines
Mapawa Area
Navachab 65,000oz
Vaal River
Gabon
Egypt
Saudi Arabia
Eritrea
Solomon
Islands
New Zealand
AngloGold Ashanti Annual Financial Statements 2009
P
7
The group currently has 21 operations around the world as well as an extensive exploration programme under way on five
continents. As at 31 December 2009, AngloGold Ashanti's Ore Reserve totalled 71.4Moz and it employed 63,364 people,

including contractors. Gold production for the year totalled 4.60Moz (2008: 4.98Moz), generating $3.8bn in sales revenue.
Capital expenditure in 2009 was $1bn.
Locations on maps are for indication purposes only.

AngloGold Ashanti Annual Financial Statements 2009
Corporate profile
P
8

Focused on returns

AngloGold Ashanti's primary business is to maximise the returns delivered to shareholders throughout the economic cycle, by responsibly and efficiently producing gold.

AngloGold Ashanti strives to ensure its sustainability by:

- **investing in the recruitment and development of employees;**
- **exploring for new orebodies and developing new mines;**
- **building and maintaining the infrastructure needed to sustain production;**
- **ensuring the orderly closure of operations at the end of their economic lives; and**
- **assisting in the development of the gold market.**

AngloGold Ashanti Annual Financial Statements 2009

Our business

Exploration: The group's exploration programme, which covers greenfield, brownfield, and more recently, marine exploration, is conducted either directly or in collaboration with partners and in joint ventures. The group's foremost recent greenfield discovery is the La Colosa deposit in Colombia (see map for regions of active greenfield exploration). Brownfield exploration is conducted mainly around existing operations. In October 2009, the group announced the establishment of a joint venture to explore for marine mineral deposits on the continental shelf on a worldwide basis. This complements AngloGold Ashanti's existing terrestrial exploration and mining activities.

Operations: In addition to the seven deep-level mines and one surface operation in South Africa, AngloGold Ashanti has surface and underground mining operations in the Americas, Australia and elsewhere on the African continent. In addition to the gold produced, valuable by-products – silver, sulphuric acid and uranium – are generated in the process of recovering the gold mined at certain operations.

Marketing: Once processed to the doré (unrefined gold bar) stage at AngloGold Ashanti's operations, this product is dispatched to various precious metal refineries where the gold is refined to a purity of at least 99.5%, in accordance with the standards of 'good delivery' as determined by London Bullion Market Association. It is then sold to bullion banks or refiners. Gold has been a much sought after source of wealth over the centuries, be it as an investment, a store of value or as jewellery. AngloGold Ashanti campaigns actively to promote demand for gold.

P
9

AngloGold Ashanti Annual Financial Statements 2009
Corporate profile
P
10
Delivering shareholder
returns
232
05
06
07
08
09
Dividends per share
(South African cents)
450
143
100
130
130
SA cents**Year low**
36
05
06
07
08
09
Dividends per share
(US cents)
62
19
11
17
17
US centsYear low
Relative share price performance (%)
Q2
Q3
Q4
Q1
Q2
Q3
2008
2009
AngloGold Ashanti share price (AU)
Philadelphia Stock Exchange Gold and Silver Index
60
40
20
0
-20
-40

-60
-80
Q4
31 July 2008
100% acquisition
of Saõ Bento
($70m) announced
17 February 2009
Sale of Tau Lekoa
to Simmer & Jack
announced
21 November
2008
$1bn syndicated
loan with Standard
Chartered
announced
20 May 2009
Issue of 3.50% convertible
bonds of $732.5m,
due 2014
1 September 2009
$284m equity offering to
fund effective 35% interest
in Kibali gold project
22 December 2009
Additional effective
10% interest acquired
in Kibali gold project
5 October 2009
Joint venture formed
with De Beers in
marine exploration
and mining
28 January 2009
Announcement of sale
of 33% interest in
Boddington
joint venture to
Newmont for $1.1bn
1 July 2008
Acquisition of 100%
interest in Golden Cycle
Gold Corporation
for $109m
Sale of 50% stake in
Nufcor International
July 2008
Restructuring of
hedge book begins
7 July 2008

Rights offer raises $1.7bn
6 May 2008
Announcement of
significant exploration
results at La Colosa
31 July 2009
Hedge book reduced
by 1.4Moz to 3.9Moz,
which is less than one
year’s production

AngloGold Ashanti Annual Financial Statements 2009
P
11
Poised for growth
Since implementing its new business strategy at the end of March 2008, AngloGold Ashanti has conducted significant restructuring of its portfolio and balance sheet. The financial foundation of the company has been strengthened by the marked reduction in debt and significant cuts to the hedge book. Key personnel have been retained to address specific operational requirements, the portfolio has been optimised through the sale and acquisition of assets, decisive remedial action has been taken to bring underperforming mines to account and the exploration programme has been refocused. These changes put in place the foundation for the company to deliver to the full potential of its employees and its assets and to achieve positive returns on the capital it employs, throughout the economic cycle.
AngloGold Ashanti continues to be guided by its core organisational values, of which safety is the most important.
Americas
49%
South Africa
26%
United Kingdom
12%
Europe
4%
Asia Pacific/Middle East
3%
Ghana
3%
Other 3%
Geographical distribution of shareholders
as at 31 December 2009
Stock exchange information
AngloGold Ashanti's primary stock exchange listing is on the JSE in South Africa. The company's ordinary shares are also listed on exchanges in London, Paris and Ghana, as well as being quoted in Brussels, in the form of International Depositary Receipts (IDRs), in New York in the form of American Depositary Shares (ADSs), in Australia in the form of
CHESS (Clearing House Electronic Sub-register System) Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depository Shares (GhDSs). Each IDR and ADS represent one ordinary share, each CDI represents one-fifth
of an ordinary share and 100 GhDSs represent one ordinary share.
As at 31 December 2009, AngloGold Ashanti had 362,240,669 ordinary shares in issue and a market capitalisation of $14.6bn (31 December 2008: $9.8bn).
4.1
05
06
07
08
09
Return on net capital employed
(%)
9.2
7.3
2.6
17.7
(1)

(1)
17.7
%
Year low
(1)
Excludes hedge buy-back costs

AngloGold Ashanti Annual Financial Statements 2009
Key features 2009
P
12

2009, a year of delivery on
commitments

- LTIFR improved by 10% to 6.57 per million hours worked
- Received gold price at record levels – average for the year of $925/oz, excluding hedge buy-back costs
- Strong local operating currencies negatively affect costs and margins
- Significant reduction in hedge book commitments – down by 35%
- Statement of financial position improved and net debt reduced by 32%
- Return on net capital employed increased to 17.7% excluding hedge buy-back costs
- Optimisation of portfolio and business restructuring, resulting in improved capital efficiencies

AngloGold Ashanti Annual Financial Statements 2009
P
13

Group overview 2009 – key data

	2009	2008	% change
Gold produced (000oz)	4,599	4,982	(8)
Average gold spot price ($/oz)	974	872	12
Average received gold price (1) ($/oz)	751	485	55
Total cash costs ($/oz)	514	444	16
Total production costs ($/oz)	646	567	14
Ore Reserve (2) (Moz)	71	75	(5)
Revenue ($m)	3,916	3,743	5
Gold income ($m)	3,768	3,619	4
Gross (loss) profit ($m)	(578)		

594
(197)
Adjusted gross profit (loss)
(3)
($m)
412
(384)
207
Adjusted headline loss
(4)
($m)
(50)
(897)
94
Adjusted headline loss per share
(US cents)
(14)
(283)
95
Dividends per share
(US cents)
17
11
55
Average exchange rate
(R/$)
8.39
8.25
2
Exchange rate at year-end
(R/$)
7.44
9.46
(21)
Share price at year-end:
JSE (R/share)
306.29
252.00
21
NYSE ($/share)
40.18
27.71
45
Market capitalisation at year-end
($m)
14,555
9,795
49
Note:
(1)

Average received gold price excluding the effects of the hedge buy-back costs is $925/oz in 2009 and $702/oz in 2008.
(2)
After adjusting for the Boddington sale, Ore Reserve increased by 5% from 68.2Moz to 71.4Moz.
(3)
Gross (loss) profit excluding unrealised non-hedge derivatives and other commodity contracts. Refer to Non-GAAP disclosure note 2 on page 347.
(4)
Headline loss excluding unrealised non-hedge derivatives, fair value adjustments on the option component of the convertible bond, adjustments to
other commodity contracts and deferred tax thereon. Refer to Non-GAAP disclosure note 1 on page 346.
6.77
05
06
07
08
09
7.70
Group LTIFR
(per million hours worked)
8.24
7.32
6.57
6,166
05
06
07
08
09
Gold production
(000oz)
5,635
5,477
4,982
4,599
2.4
05
06
07
08
09
Gold income
($ billion)
2.6
3.0
3.6
3.8
6.57
4.6
Moz
$3.8

bn

AngloGold Ashanti Annual Financial Statements 2009
Chairman's letter
P
14
Chairman's letter

AngloGold Ashanti Annual Financial Statements 2009
P
15
Dear shareholder,
This is my eighth and final letter to you since I became chairman of the then AngloGold in 2002. Reflecting on the company's
progress since then paints, on balance, a healthy picture, though it cannot be said that it has been without its challenges.
Perhaps the most fundamental strategic shift occurred early last year when former majority shareholder, Anglo American,
completed the process of selling off its stake in AngloGold Ashanti. While acknowledging the positive role played over the
years by Anglo American, this has given our company greater freedom to pursue its best interests. I believe the consequences
of this will become increasingly apparent in the years ahead.
A major milestone during my tenure as chairman was the business combination with Ashanti Goldfields in 2004. We must
concede that it took longer than expected to turn around Ashanti's main asset, Obuasi. Indeed, hindsight tells us that we could
have managed better the process of integrating the two companies, and taking advantage of the synergies and other
opportunities the transaction offered. Hopefully lessons have been learned from this experience. Nonetheless, the transaction
offered geographical diversity and with Obuasi, Geita, Siguiri and the exploration rights in the Democratic Republic of the
Congo, has given us significant long-term assets.
On the financial side, a central focus since 2002 has been on reducing the hedge book to take greater advantage of
the recovery in the gold price in the last decade. The company has accelerated that process in the past two years, during
which time our total hedge commitment has been reduced from 10.39Moz at end 2007 – more than double our annual
production – to 3.9Moz, significantly less than a full year's production. The company will continue to focus on reducing the
hedge on an opportunistic basis so as to ensure maximum exposure to the spot gold price.
The gold price climbed steadily through the year, ending 24% stronger than it began. Starting at around $875/oz, it reached
a high of $1,226/oz early in December but by year-end was closer to $1,100/oz. Continuing economic and jewellery demand
growth in China and India, expansionary US monetary and fiscal policies and limited major new orebody discoveries, all point
to sustained gold strength, though this trend is likely to be marked by significant market volatility.
My greatest regret is that we have not yet achieved our safety performance goals. I do, however, recognise the efforts of both
Chief Executive Officers, Bobby Godsell and now Mark Cutifani, under whose stewardship the fatality rate on our mines has
been reduced from 0.31 deaths per million hours worked in 2002, to 0.10 in 2009. Mark and his team will strive to reach the
target of zero fatalities.
The energetic corporate activity aimed at restructuring our asset portfolio in order to add value is evidence of the dynamism
of AngloGold Ashanti's management. Following the 2008 transactions in Colombia, the US and Brazil, 2009 saw a sale

agreement for our Tau Lekoa mine in South Africa, completion of which is pending final regulatory approval. We also sold our
33.3% interest in Boddington, Australia, while enhancing our operating and exploration base through the transactions involving the Kibali gold project in the DRC, the alliance with Thani Dubai Mining, the increased interest in Sadiola in Mali, and
the marine exploration joint venture with De Beers.

Russell Edey,
Chairman

Podcast available at www.aga-reports.com/09/podcasts.htm

Russell Edey looks back on
his time at AngloGold Ashanti

AngloGold Ashanti Annual Financial Statements 2009
Chairman's letter
P
16

In May, the company finalised a fund raising of $732.5m of 3.5% convertible bonds due 2014 on competitive terms. The funds were used to refinance AngloGold Ashanti's debt facilities and for general corporate purposes.

It is gratifying that AngloGold Ashanti has – justifiably – sustained its reputation over the years as a responsible corporate citizen in the countries and communities where it operates. Though the scrutiny of our activities is intense, and challenges are manifold and often complex, we have always sought to act with integrity, and have been willing to acknowledge any errors of judgement and remedy them.

AngloGold Ashanti, like most major mining companies, continues to face significant challenges as a corporate citizen. Energy issues are becoming a particular challenge in terms of security of supply, price and our obligation to minimise our carbon footprint. South Africa faces a major challenge to meet the demand for electricity. Our company played a prominent role in commissioning a submission to the energy regulator as it considered an initial application from the state-owned power company for a 45% a year tariff increase over three years. While we recognise that power prices in South Africa have been unrealistically low for many years, an increase of such magnitude would seriously damage not only our industry but the economy as a whole. We hope our work played a part in the outcome of lower increases of about 25% a year over the three-year period – a substantial improvement on the original request. In addition, together with other business groups, we continue to engage relevant government structures in an effort, jointly, to ensure a secure, fairly priced and cleaner supply of power to the country.

More broadly, public policy debate over the nature of a nations' stewardship over their natural resources, and the question of a fair division of the benefits of mining between companies and the people of those nations, continues to intensify. This is the case not least in our company's country of domicile, South Africa, where a review of the Mining Charter promises to be a major issue in 2010, and where vocal calls for nationalisation of the industry, emanating mostly from the ruling party's youth wing, have become common. President Zuma and other senior government figures have stated that nationalisation is not on the government's agenda.

Nevertheless, companies such as ours, and the business organisations to which we are affiliated, need to become more effective in these public policy debates. There is, in some jurisdictions, a tendency to be coy about such interventions. However, provided it is done in a manner of mutual respect, and provided appropriate regard is given to the national interest (as opposed to adopting unsustainable positions reflecting overly narrow corporate interests) there is no reason for coyness.

AngloGold Ashanti Annual Financial Statements 2009
P
17

It is particularly important that the Chamber of Mines – weakened in recent years by various factors, including the departure of some mining majors to foreign domiciles and primary listings – re-establishes itself as a credible representative of our industry. In pursuit of this goal, we made our Chief Executive Officer available for election as Vice President of the Chamber in November. He, along with the rest of the new Chamber leadership, are already doing good work in this regard.

In conclusion, I would like to pay tribute to Mark. Even the best managed companies need regular phases of renewal. In the period since September 2007 when he joined us, Mark has truly positioned AngloGold Ashanti for a new and successful era.

He has achieved this through lucid strategic thinking, and putting those new strategies into effect. This is reflected in the rationalisation of our asset portfolio, the financial restructuring and, most importantly, the work he has done as a manager of people, building a highly capable team and giving them the confidence to take the business forward.

I am very pleased to be succeeded by Tito Mboweni, who recently retired, after ten years in that position, as Governor of the South African Reserve Bank. His standing in international business and financial circles, and his clear identification with the values upon which AngloGold Ashanti is built, places the leadership of the board in very capable hands.

It has been a privilege to serve you over the past 12 years. I leave you with a dynamic board and management team that will take AngloGold Ashanti to new heights.

Yours sincerely,

Russell Edey

Chairman

AngloGold Ashanti Annual Financial Statements 2009

CEO's review

P

18

CEO's review

AngloGold Ashanti Annual Financial Statements 2009
P
19

My fellow AngloGold Ashanti shareholders,

As you would no doubt be aware this was an epic year for AngloGold Ashanti, both in terms of the changes we have introduced as part of restructuring of our company and in relation to the gold price. As we restructured and reduced our gold hedge book it was gratifying to see spot prices setting a record $1,226/oz in November, a sure sign that gold behaved exactly as it should have against the backdrop of continued uncertainty in the global economy and with the current outlook for inflation. It was in this environment that we took several important steps toward our goal of building a company that will thrive under all market conditions and deliver strong returns on capital employed, through the economic cycle.

The year was an historic one for us given that AngloGold Ashanti finally said farewell to Anglo American - its long time dominant shareholder. This was somewhat of a protracted exit for our founder and largest investor, which had signalled its intention to sell its stake in our company well in advance of the final disposition. We were also pleased to learn in March that this longstanding overhang had not only been removed, but that the buyer of the block was Paulson & Co., a New York-based investment firm founded and headed by John Paulson, one of the most successful investors of modern times. In several meetings and conversations with John since then, he has voiced strong support for our overall business strategy, not least of all our efforts to improve safety. Encouragingly, he is also extremely bullish on the future of the gold market.

Our stock responded well to the further implementation of our strategy during the course of the year and delivery on our major corporate and operating objectives. AngloGold Ashanti's American Depositary Receipts, the most liquid of our publicly traded securities, rose 45% during 2009 compared with a 35% rise in the benchmark Philadelphia Stock Exchange Gold & Silver Index. At year-end, AngloGold Ashanti had a market capitalisation of almost $15bn, cementing its position as one of the world's largest and most valuable gold producers. Still, given the diversity of our portfolio, our competitive cost position and significant growth potential, our stock continues to trade at a fundamental discount to the North American peer group. You can be assured that your management team remains committed to exploring every means possible to eliminate that discount, most notably by delivering on the commitments we have made.

Review of the year

AngloGold Ashanti produced 4.6Moz of gold in 2009 at a total cash cost of $514/oz, compared with the previous year's 4.98Moz at a total cash cost of $444/oz. That production was also below initial market guidance for the year of 4.9Moz to 5Moz at a cash cost of $435/oz to $450/oz. Costs, however, remained within our exchange-rate adjusted guidance in each quarter.

Safety

Safety is the obvious starting point for me when reflecting on the performance in 2009. We continued to make good overall progress on this front, particularly when looking back at the past several years. Our lost time injury frequency rate in 2009 was

6.57 per million hours worked, a 10% improvement on 2008 and a great deal better than the 8.24 we saw in 2007. Tragically, we lost 16 of our colleagues during the year. While this performance remains a great improvement on fatalities of 34 in 2007, it did not represent the improvement we were looking for from the levels of 14 in 2008.

Mark Cutifani,

Chief Executive Officer

Podcast available at www.aga-reports.com/09/podcasts.htm

Mark Cutifani discusses
the prospects for AngloGold Ashanti

While we worked to effect rapid improvements with those teams that had the poorest safety record, Thero Setiloane was set the crucial task of developing a plan to realise the next transformational gains to our safety performance. The people who leave their families to come to work at AngloGold Ashanti each day are the heart and soul of our operating team, for them, incremental advances on safety are simply not good enough. We will commence the rollout of our new Safety Transformation Blueprint from April 2010. This is a plan to further entrench our safety culture by increasing the involvement of employees at every level, to help us realise the next quantum leap toward delivering on our goal of zero fatalities, and ultimately delivering on our commitment of "no harm".

Our South African mines were affected by far more rigorous policing of safety regulations by provincial mine inspectors in 2009. There was also a greater awareness of operating risks among our own managers and employees. In all, we lost 95 full production days at various South African mines and 73 partial days, which impacted our ability to achieve our initial production guidance for the year. I fully support even-handed and consistent enforcement of South Africa's mine safety laws and our people are working hard to optimise internal controls while spending time with the authorities to better understand their requirements. Limiting these stoppages is crucial to maintaining and improving our competitive position in the South African mining industry and indeed against our global peer group.

There were significant interruptions to mining operations resulting from a stoppage at TauTona, which was closed for two months at the end of the year, based on our commitment to maintain a safe working environment for our employees. This stoppage was taken in addition to the seismic event that resulted in the closure of the Savuka operations through the second half of 2009. We expect both operations to return to production during the first half of 2010.

Strategic focus

Our quest – as stewards of the capital – is to consistently generate returns above 15%, a goal often overlooked by gold mining companies pursuing additional production. By ensuring that we have the right people taking accountability for doing the right job at the right time, we can achieve our ambitious five-year cost and productivity objectives and make good on our commitment to deliver these returns. This is easily the most attractive opportunity available to us internally and has the potential to yield $600m of benefits a year for a nominal capital outlay.

Project ONE is an all-encompassing business philosophy that touches every corner of the organisation – from embracing a more inclusive approach to the management of our working relationships and the allocation of work and accountability through our System for People, to more scientific rigour in short and long-term planning and execution of work through our Business Process Framework.

We have focused on building our capacity in key areas over the past two years to add to the impressive capability that already exists within AngloGold Ashanti. Now, by combining these hard, technical planning and execution skills with the soft, human-resources management practices needed to realise the full potential of our people, we have made significant strides toward achieving our long-term objectives.

Looking back at the progress made since March 2008, when we first began to implement our new business strategy, we estimate that we are a third of the way to completing its rollout across the business. Our initial focus was on making rapid improvements to safety and the operating performance of our assets in Argentina and Brazil, while lowering overall debt and paring the hedge book from around 12Moz to 3.9Moz by the end of 2009. The decision to improve the balance sheet and reduce our overall financial risk proved prescient in light of the ructions in credit markets and the rising gold price. We again took advantage of improving conditions in the global debt markets in 2009 to strengthen our balance sheet by issuing a $732.5m convertible bond in May and completing a modest equity offering in September to finance our acquisition of an initial effective 35% stake in the 22Moz Kibali gold project in the Democratic Republic of the Congo (DRC). We’ve since increased our stake in the project to an effective 45%.

With the balance sheet headroom we created for ourselves, our treasury team was able to conduct a major restructuring of the hedge book ahead of the strong rally in the gold price in the second half of the year. Our decision to remove a significant portion of our hedge contracts over the past 18 months has generated more than $2.5bn of value, given the difference in the mark-to-market value of our hedge book at the end of 2009 and what it would have been had we not undertaken this reorganisation.

AngloGold Ashanti Annual Financial Statements 2009
P
21
Importantly, though, the balance sheet has provided the necessary platform to finance our growth ambitions, which brings me to the next phase of our business strategy – optimising our operating performance.

Operations

As the rollout of Project ONE continued to gain momentum during 2009, we had several encouraging developments across the business. I think you'll agree when you look at the arc of improvement from our operations in Argentina, Brazil and Ghana, that our targeted interventions yielded excellent results. Geita, which for some time has struggled to meet its operating targets, continued its turnaround in the latter part of 2009. This progress is the key to unlocking the potential of our portfolio. Importantly, these initiatives are supported by Project ONE and will gain momentum as we continue its rollout across 12 additional sites in 2010.

While the majority of our assets met or exceeded their targets, there were operational challenges that had to be met during the year. Grade problems in the pad at Cripple Creek & Victor (CC&V) hampered our performance in the US, while flooding at Obuasi and a first-quarter mill breakdown at Geita – along with the stoppages at Savuka and TauTona – led to the decline in production and our failure to meet initial guidance. The good news is that TauTona resumed normal operations in January 2010, Savuka will be up and running by June 2010 and a solid, workable plan is in place to remediate CC&V and restore it to annual production of around 280,000oz in 2011.

During the course of the year, Jorge Palmes and his team in Argentina showed what Cerro Vanguardia was capable of, given the right management and the appropriate level of support from the global organisation. In little over 12 months, Jorge and his team took a mine that was previously earmarked for sale and transformed it into an operation that is now competing for position as our lowest-cost operation. An equally impressive achievement is the progress made on plans for an underground development and heap leach operation at Cerro Vanguardia, which were little more than ideas at the beginning of 2009. Both projects are in progressive development.

This mirrors the change in Brazil under Helcio Guerra's leadership. More than a decade of static to shrinking production has now made way for a solid, practicable growth plan and one of the lowest cost mines in the group. Brazil is now the cornerstone of a regional growth plan that will take our Americas region from current levels around 800,000oz a year, to more than 1.1Moz over the next four years. At the core of this growth strategy is the São Bento property which we acquired from Eldorado Gold in 2008 for $70m. The purchase was based not only on our view that the existing plant at São Bento could speed the development of our neighbouring Córrego de Sítio project, but also that there was more gold to be found on that property. I'm happy to report that our original hypotheses has proved correct and each of the drill holes we put into the ground over 2009 has yielded mineralisation. By the end of 2010 we'll have made significant progress toward reporting a meaningful reserve from the project and will be able to shed more light on our plans for the second-phase expansion of this exciting district.

Australia again delivered another solid performance meeting its plan. Our team there has wasted no time in refocusing their growth strategy after the sale of our 33.33% stake in Boddington to Newmont Mining Corp. The underground potential at Sunrise Dam looks more encouraging with every hole we drill in the orebody and we're more confident than ever of sustaining the current level of production for many more years. All indications are that this will be supplemented by our Tropicana project, which will be tabled to the board for approval in the fourth quarter of 2010. These mines, seen together with an exciting and aggressive regional exploration strategy, make our Australian division a promising business in its own right.

We also had good, consistent performance during 2009 from Siguiri in Guinea, which delivered to its plan despite some forced stoppages during a year of considerable political change in the West African country. In Mali we saw how the right leadership can get the most from a mature set of assets. Our decision not to sell our stake in the Sadiola mine has also been vindicated by growing optimism in the sulphide deposit at depth and our ability to develop it into a significant new source of production in coming years.

Geita and Obuasi have been set by the market as the true test of our operating credentials so it's especially gratifying to see their improved performance resulting from specific interventions made in the implementation of our business strategy.

Obuasi has continued to build on the improvements that began to take hold in 2008 and Geita has well and truly turned the corner. Production at Obuasi was up 7% in 2009, grades improved by 19% and costs were maintained. Consider this: Obuasi,

AngloGold Ashanti Annual Financial Statements 2009
CEO's review
P
22

one of the world's great orebodies, had not once generated cash since the merger with Ashanti Goldfields. In April 2009, however, this operation made a cash contribution to the business for the first time in five years and has done so every month since as it has gone from strength to strength under its new management team and the new operating philosophy. We're expecting additional, significant improvements to help us realise the full potential of this orebody as we implement Project ONE in 2010. Changes to Obuasi's mine plan, which have eliminated the need for 400km of costly development over its life, have radically changed the capital profile of this important deposit and secured its future for many years to come.

Progress at Geita has also given us cause for some optimism. The secondment in May of Graham Ehm, our Executive Vice President of our Australasia region, to run this operation in cooperation with Richard Duffy and his team, was a key development in changing the fortunes of this operation in the second half of 2009. After careful analysis of this operation, the implementation of our new operating framework has helped increase production by 52% in the second half of 2009 over the first half. Mining flexibility has improved, fleet and plant availability are greatly increased and the results are evident in the bottom line. This is a world class deposit and the foundation is now in place for it to regain its position as a cornerstone asset for us.

South Africa continued to grapple with steeply rising electricity tariffs, evidenced by the 31% price increase effective from July 2009. This inevitably raised our cost base from mines that are almost exclusively powered by electricity. We have committed to assisting, where possible, in helping Eskom's management weigh the alternative funding structures available in order to preserve this industry's competitive position.

With higher power costs ahead and a growing realisation that South African homes and businesses reduce electricity consumption to ensure stable supply, we've worked hard to become a more efficient consumer in recent years. The results have been remarkable – by the end of 2009, our overall consumption had dropped by 16% from the base set at the end of 2007. This effort was enough to win us two national energy efficiency awards in 2009, an achievement of which we're all immensely proud. Still, there's more to do for our teams in South Africa – and, indeed across the globe – they are all up to the job of making our mines more efficient.

Like Australia and Brazil, our South African operations also faced cost pressure from a markedly stronger local currency. With a weaker dollar responsible for much of gold's upward movement in 2009, a stronger rand is likely to be a fact of life for us for some time. This is also true for our operations in Brazil and Australia, all of which have faced increased portfolio inflows that have driven these currencies higher against the dollar, crimping local revenues and raising dollar costs. It was a dominant

theme for us this year and a major factor behind the rise in our cash costs.
We are not standing idly by in the face of these rising costs. The implementation of our Business Process Framework at the
Mponeng plant during 2009 yielded a 15% increase in throughput with only a nominal investment. This success, at one of the
more efficient operations in our portfolio, is emblematic of the greater gains to be made across the group in the year ahead.
Robbie Lazare, who has designed and implemented our change programme, has been appointed Executive Vice President
of our South African operations. In this capacity he will lead our efforts to effect operational improvements while also reviewing
the West Wits and Vaal River operations to determine their optimal structure. Robbie and his team have been tasked with
ensuring that we retain our competitive edge in South Africa. This will leave Richard Duffy to focus on continuing the good
work on operational improvements in Continental Africa and growth projects through the pipeline.

Securing our growth

With the plan in place to optimise each of our existing operations, we've taken decisive steps during the year to secure our
long-term growth, much of which is evidenced by the 5% rise in our Ore Reserve to 71.4Moz after adjusting for the
Boddington sale. This provides a strong foundation to ensure the sustainability of our business going forward.
Our exploration team remains one of the most successful in the gold industry and has refocused its efforts in the countries in
which we already operate and have a distinct advantage. Under Tony O'Neill's guidance, the team entered exciting new
regions including the Middle East and North Africa, and Canada, where we have high confidence of growing our business still
further. Our marine-prospecting joint venture with De Beers also holds significant promise as a new frontier.

In Colombia, where we already have a 12Moz resource at our La Colosa project, our in-country team continues to navigate a complex permitting process. We have only to wait for water permits from the regional government to resume drilling at La Colosa but have in the meantime also begun exploring at a range of other sites in the country where we hold significant land positions with exciting geological potential. Colombia is an important aspect of our long-term growth plan and we remain committed to a collaborative approach with communities and the government at all levels to secure the necessary permissions to move forward with this development.

Our acquisition of an effective 45% stake in the 22Moz Kibali gold project in the DRC also gives AngloGold Ashanti a foothold in the world's largest untapped gold deposit. We look forward to the sustainable development of this district with our partners in the endeavour, Randgold Resources and the Government of the DRC.

The year ahead

I see 2010 as a watershed year for our company. This is a year where we must prove our operating credentials by making the transformational leap in safety that will help secure our future in South Africa, by achieving the recovery at Cripple Creek & Victor, by making meaningful progress toward developing our potential in Colombia and by extending and entrenching the improvements made in Argentina, Brazil, Ghana and Tanzania. This will lay the groundwork for AngloGold Ashanti to achieve its exciting growth ambitions and – most important of all – to deliver the returns on capital that are the driving force behind our overall decision making.

I'd like to bid farewell to outgoing chairman Russell Edey, who has been an invaluable touchstone for me since my arrival in 2007. He has led the board with incisiveness and absolute integrity for the past eight years and his presence will be missed.

I look forward to forging the same partnership with Tito Mboweni, the former Governor of the South African Reserve Bank, whom we're fortunate enough to have as Russell's replacement. A director of his calibre, with knowledge of local and international markets that is as broad as it is deep, is a tremendous asset to our company and its shareholders.

Lastly, I'd like to thank the more than 63,000 people at AngloGold Ashanti who are part of this extraordinary effort to create the world's leading mining company. I continue to be inspired by the level of commitment and initiative evident throughout this company. While 2009 was indeed an epic year, I've no doubt that 2010 will be greater still.

Regards,

Mark Cutifani

Chief Executive Officer

AngloGold Ashanti Annual Financial Statements 2009
CFO's report
P
24
CFO's report
Highlights for the year
Average dollar gold spot price
$974/oz
12% higher than previous year.
Average dollar gold price received
$751/oz
55% higher than 2008 mainly due to the higher levels of hedge
(including the effects of the hedge
book restructuring in the previous year.
buy-back costs)
Total cash costs ($/oz)
$514/oz
16% higher than the previous year due to lower production resulting
from safety related stoppages, inflation related increases in salaries,
mining contractor costs, power, consumables and ore stockpile
movements.
Adjusted headline loss
($50m)
The adjusted headline loss decreased from $897m to $50m
(including the effects of the hedge
mainly due to the higher gold price received and the
buy-back costs)
lower cost of the hedge buy-backs. The adjusted headline
earnings excluding the cost of the hedge buy-backs,
increased from $19m to $708m mainly due to a higher
received gold price.
Dividend for the year
130 SA cents
A final dividend of 70 South African cents (approximately
per share
9.10 US cents) was declared for the six months ended
31 December 2009, an increase of 17% from the previous
declaration. This takes the total dividend for the year to
130 South African cents (approximately 16.75 US cents) per
share, representing a 30% increase over the 2008 dividend.
Capital raised through an equity
$284m
AngloGold Ashanti successfully completed an equity offering in
offering
September 2009. The gross proceeds of $284m were applied
towards the acquisition of an effective 45% interest in the Kibali
gold project.
Hedge book reduction
2.1Moz
Hedge book commitments reduced through further buy-backs
and continued delivery into maturing contracts. This represents a

2.1Moz or 35% reduction to the 6.0Moz committed at the start of the year. Outstanding commitments of 3.9Moz now amount to less than one year's production.

Net debt levels

$868m

Net debt levels closed at $868m, some $415m lower than the start of the year due to improved operational cash flows and the sale of assets.

Cash flows from operating activities

$1,299m

Cash flows from operating activities, excluding the hedge buy-
excluding hedge buy-back costs
back costs, increased from $584m to $1,299m in 2009 mainly due to the higher received gold price and improved performance from turn-around assets.

Introduction

In a year of volatile gold prices and exchange rates, AngloGold Ashanti successfully accomplished a number of financial milestones:

- Adjusted headline earnings (excluding the impact of accelerated hedge buy-backs) were a record at $708m, a result of better received prices, improved performance from some assets and foreign exchange gains;
- The full year dividend was increased by 30% compared to the previous year, to 130 South African cents per share (approximately 16.75 US cents per share);
- Net debt levels were reduced by 32% or $415m during the year to close at $868m;
- The issue of a five-year $732.5m convertible bond at competitive terms lengthened the tenor of borrowings;
- The hedge book was reduced by 35% or 2.1Moz to close the year with 3.9Moz of hedge commitments, which represents less than one year's forecast production;
- The rationalisation of the asset portfolio was completed with the sale of AngloGold Ashanti's 33.33% interest in the Boddington mine for a cash consideration of $990m plus royalties; and
- An equity raising of $284m was completed to part fund the $344m acquisition of an effective 45% interest in the Kibali gold project in the Democratic Republic of the Congo.

Looking ahead, the financial objectives for 2010 include:

- Maximising margins and cash generation in the business;
- Continuing with opportunistic reductions to the hedge book to further improve participation in a gold price rally; and
- Introducing more tenor into the statement of financial position whilst refinancing the group's $1.15bn revolving credit facility before December 2010.

Srinivasan Venkatakrishnan (Venkat),
Chief Financial Officer

Podcast available at www.aga-reports.com/09/podcasts.htm
Venkat discusses the financial prospects for AngloGold Ashanti

Production

Production for the year at 4.6Moz was 8% or 383,000oz less than that of 2008.

Southern Africa's production declined by 14% to 1.86Moz, reflecting the increased number of safety-related stoppages resulting from more stringent policing of safety regulations as well as the proactive approach by the company's managers to averting accidents. In addition, on 22 May 2009 the seismic event at Savuka caused damage to the shaft infrastructure thus reducing production. On 23 October 2009, underground operations at the TauTona mine were suspended to conduct inspection and shaft steel work rehabilitation along the shaft barrel. TauTona was brought back into production in January 2010, after the inspection and rehabilitation work were successfully completed.

Production during the year from Continental Africa fell by 3% to 1.52Moz as improvements at Geita and Obuasi offset declines from Sadiola and Morila. In South America, production increased by 6% to 598,000oz, with a strong turnaround from Argentina. Cripple Creek & Victor in North America suffered from below-par recoveries from the leach pad, resulting in a 16% drop in production to 218,000oz.

Australasia's production decreased by 7% to 401,000oz due to the lower grade of ore processed given that the high-grade Mega open pit was exhausted in 2008.

Income statement

An analysis of the abridged income statement for the year, with comments on significant variances is presented as follows:

Dollar million	Notes	2009	2008
Gold income	1	3,768	3,619
Cost of sales	2	(2,813)	(2,728)
Loss on non-hedge derivatives and other commodity contracts	3	(1,533)	(297)
Gross (loss) profit		(578)	594
Corporate, marketing and exploration costs	4	(322)	(276)
Operating special items	5	691	(1,538)
Operating loss			

(209)
(1,220)
Net interest paid
6
(85)
(48)
Exchange gains and fair value adjustments on convertible bonds
7
79
29
Share of equity accounted investments' profit (loss)
94
(138)
Loss before taxation
(121)
(1,377)
Taxation
8
(147)
197
Loss after taxation from continuing operations
(268)
(1,180)
Profit from discontinued operations
-
25
Loss for the year
(268)
(1,155)
Other financial data
EBITDA (excluding hedge buy-back costs)
1,663
1,131
Adjusted headline earnings (excluding hedge buy-back costs)
708
19
Adjusted headline loss
(50)
(897)
Income statement commentary
The reduction in the loss for the year from $1,155m in 2008 to $268m in 2009 is mainly the impact of the higher received
gold price and asset impairment reversals in 2009 compared to the impairment of assets in 2008. This was partially negated
by the higher loss on the non-hedge derivatives as outlined in note 3.

AngloGold Ashanti Annual Financial Statements 2009
P
27

1. Gold income

Despite the lower gold production, gold income at $3,768m was 4% higher than in 2008. This is due to the average received gold price (including hedge buy-back costs) increasing from $485/oz to $751/oz mainly due to the higher gold spot price and the lower cost of the hedge buy-back in 2009. The price received excluding the cost of the hedge buy-back increased from $702/oz to $925/oz, which is a 5% discount to the average spot gold price.

2. Cost of sales

Cost of sales increased by 3% from $2,728m to $2,813m in 2009.

Components in cost of sales consist of:

- Total cash costs increased by 8% from $2,113m in 2008 to $2,283m in 2009. In unit cash cost terms, total cash costs have increased from $444/oz to $514/oz (refer to graph below). This is mainly due to the lower production, lower grade, ore stockpile inventory draw downs and inflation.
- Rehabilitation costs decreased by 21% from $28m to $22m, mainly due to changes in estimates, discount and inflation rate assumptions. Retrenchment costs of $14m occurred mainly at the South African and Ghanaian operations.
- Amortisation of tangible and intangible assets decreased from $562m to $557m in 2009. The decrease is attributed to the reassessment of the useful lives of the assets and components of property, plant and equipment in accordance with the revisions to the business plan as well as lower ounces produced.

3. Loss on non-hedge derivatives and other commodity contracts

There are mainly two reasons for the increase in the loss on the non-hedge derivative contracts from $297m in 2008 to $1,533m in 2009:

- During July 2009, hedge contracts to the value of $797m were accelerated and cash settled. Of these accelerated settlements, $580m were designated as normal purchase and sale exempted contracts (NPSE) and previously held off the statement of financial position. A further $217m was also incurred in accelerating the cash settlement of existing non-hedge derivative contracts. The cash settlement of the NPSE contracts resulted in the remaining NPSE designated contracts to be re-designated as non-hedge derivatives and recorded on the statement of financial position with changes in the fair value accounted for in the income statement. The consequential impact on the financial statements in July 2009 of the accelerated settlement and related re-designation of NPSE contracts was a loss on non-hedge derivatives of $1,028m, an increase in the non-hedge derivative liability of $558m and cash outflows of $797m.
- During 2009, the spot price of gold increased from $872/oz at the beginning of the year, to $1,102/oz at the end of the year. Upon fair valuing the hedge book at year-end, the substantially higher spot gold price contributed to a further loss on non-

hedge derivatives.

4. Corporate, marketing and exploration costs

Corporate and other administration expenses increased from $131m to $154m in 2009 due to inflation, additional costs
associated with the business improvement, Project ONE and the Safety Transformation projects.

$/oz
444
2008
(11)
Exchange
8
Inflation
17
Volume
22
Grade
514
2009
441
Total
0
400
500
300
200
23
Ore
stockpile
11
Other
Analysis of total cash costs 2009 vs 2008
($/oz)
100
600

Marketing costs of $10m are $3m less than in 2008 and include lower contributions to the World Gold Council following reduced annual production.

Exploration expenses increased from $126m in 2008 to $150m in 2009 mainly due to increased expenditure in Colombia, in Canada and the Solomon Islands. Exploration expenditure consisted of greenfields expenditure of $88m, brownfields of $36m and pre-feasibility and feasibility study expenditure of $26m at La Colosa in Colombia and Tropicana in Australia. AngloGold Ashanti has taken advantage of some outstanding early stage exploration opportunities and to consolidate significant land areas in underexplored areas ranging from low risk, mining friendly jurisdictions like Canada, to new frontier areas like the South West Pacific.

5. Operating special items

Operating special items in 2009 amounted to a credit of $691m compared to a charge in 2008 of $1,538m.

The charge to the income statement in 2008 was attributable to the large asset impairments of $1,608m relating to Obuasi, Geita and Iduapriem. In 2009 these asset impairments were partially reversed due to the increase in the long-term real gold price and improved mine plans. Asset impairment reversals of $717m were recorded in 2009 consisting of $373m at Obuasi, $261m at Geita and $83m at Iduapriem.

Other operating special items include a reassessment of indirect taxes in Tanzania and Guinea, profits and losses on the disposal of tangible assets and investments, write-off of loans not recoverable, and an insurance claim recovery for business interruption at the Savuka mine.

6. Net interest paid

The increase in net interest paid from $48m to $85m in 2009 is due to the higher interest and fees on the term facility, a reduction in capitalised interest and lower interest earned on cash and cash equivalents.

7. Exchange gains and fair value adjustments on convertible bonds

During 2009, part of the proceeds from the Boddington joint venture sale was applied towards repaying borrowings, resulting in the realisation of an exchange gain of $121m.

In 2009, the fair value loss of $33m on the convertible bond was mainly due to an increase in the volatilities and the share price underlying the new $732.5m convertible bond. In 2008, the fair value gain of $25m was attributable to the write-off of the option component of the previous convertible bond to nil as it approached maturity in February 2009.

8. Taxation

Taxation was a charge of $147m in 2009 compared with a benefit of $197m in 2008, mainly due to higher earnings and the lower deferred taxation benefit received on the hedge buy-back costs incurred in 2009. The taxation benefit in 2008 related to the cost of the hedge buy-back.

Other financial data

EBITDA (excluding hedge buy-back costs) increased from $1,131m in 2008 to $1,663m in 2009. The year-on-year increase

of $532m was mainly attributable to higher gold income and realised gains on non-hedge derivatives and other commodity
contracts of $652m, favourable inventory movements of $79m, share of equity accounted investments' EBITDA of $68m,
partially negated by an increase in total cash costs of $170m, indirect taxes of $48m and higher corporate and exploration
costs of $47m.
Adjusted headline earnings (excluding hedge buy-back costs), increased from $19m in 2008 to $708m in 2009. This
increase is due to the higher received gold price, the foreign exchange gain from the early repayment of the Australian dollar
denominated loan, higher income from associates and equity accounted joint ventures which was partly offset by the lower
production, higher operating, corporate and exploration costs. The adjusted headline loss for the year, after factoring in the
hedge buy-back costs, was $50m.

Statement of financial position

An analysis of the abridged statement of financial position as at 31 December is presented and variations in balances are commented upon below.

US Dollar millions	Notes	2009	2008
Tangible and intangible assets (1)	1	6,083	5,286
Cash and cash equivalents		1,100	575
Other assets	2	2,604	2,199
Total assets		9,787	8,060
Total equity	3	3,030	2,511
Borrowings	4	1,931	1,933
Deferred taxation		753	617
Other liabilities	5	4,073	2,999
Total equity and liabilities		9,787	8,060

(1) Includes assets held for sale

Statement of financial position commentary

The statement of financial position has improved significantly during the 2008 and 2009 years. Equity of $2.0bn has been injected, hedge contracts of $1.9bn before taxation were accelerated and cash settled, and assets were disposed for cash

of $1.1bn.
Significant events that impact on the statement of financial position are:
1. Tangible and intangible assets
The increase in the tangible and intangible assets from $5,286m to $6,083m is mainly due to the capital expenditure incurred
during the year amounting to $1,019m, the effects of stronger local currencies' closing positions against the US dollar of $473m, asset impairment reversals of $717m, partly offset by the amortisation and depreciation charge of $557m. In 2009, capital expenditure reduced by some $175m mainly due to lower expenditure on the Boddington project. In 2008, $419m was spent at Boddington, compared with $145m in 2009, the latter having been reimbursed to AngloGold
Ashanti upon completion of the sale.
2. Other assets
Other assets consist mainly of investments, inventories, financial derivatives, trade and other receivables, non-current assets,
deferred tax assets, and cash restricted for use. Other assets increased from $2,199m in 2008 to $2,604m in 2009. Significant movements include:

- investments in associates and equity accounted joint ventures increased due to the purchase of the effective 45% interest in the Kibali gold project for $344m, and additions to the investment value from equity accounted earnings;
- other investments increased due to a higher fair value of the investment in International Tower Hill and other sundry investment purchases;
- inventories increased due to the timing of gold dispatches, higher production costs and uranium inventory levels, and in North America the heap leach inventory increased with higher cost ounces placed on the leach pad and the slower percolation of the gold bearing solution through the leach pad; and
- financial derivative assets reduced mainly due to normal maturities of the hedge book during the year, partially offset by the effect of an increase in the spot gold price.

3. Total equity
Total equity reflects an increase from $2,511m to $3,030m in 2009. Significant movements during 2009 consist of the hedge
buy-back cost of $758m net of deferred taxation, the accounting for the NPSE contracts of $558m at 31 July 2009, asset
impairment reversals of $717m, and the equity raising of $284m to part fund the acquisition of the effective
45% interest in the Kibali gold project.

4. Borrowings

Total long and short-term borrowings were at similar levels in 2008 and 2009 at $1,933m and $1,931m respectively. The 2009 year includes the following significant movements:

- during February 2009, a draw down of $1.0bn on the term facility was made to repay the 2.375% convertible bonds of $1.0bn;
- during May 2009, a five year 3.5% convertible bond of $732.5m was raised with an option component of $142m;
- during July 2009, a subsequent repayment of $750m was made on the term facility; and
- the net movement on the $1.15bn syndicated loan facility increased by $185m.

The term facility was renegotiated in August 2009 for a one year period maturing in August 2010, consisting of a $250m term portion and a $250m revolver portion, and is extendable for another year at the option of the company until August 2011.

5. Other liabilities

Other liabilities consist mainly of provisions such as the environmental rehabilitation liability, retirement defined benefit plans, liabilities held for sale, trade and other payables and financial derivatives. The increase from $2,999m to $4,073m in 2009 is mainly due to:

- increases in the environmental rehabilitation and other provisions of $43m due to changes in estimates, discount and inflation rate assumptions as well as stronger local currencies;
- increases in the provision for pension and post-retirement benefits of $22m largely due to exchange movements, partly offset by the effect of changes to discount and inflation rate assumptions;
- financial derivative liabilities increased by $939m mainly due to the contracts amounting to $558m at 31 July 2009 previously designated as NPSE and now accounted for in the statement of financial position. In addition, a 3.5% convertible bond was issued during the year and the resultant option component also increased the financial derivative by $176m at year-end.
The substantial increase in the spot gold price further increased the financial derivative liability;
- liabilities held for sale include that of Tau Lekoa in 2009 of $7m. In 2008, liabilities held for sale related to the Boddington joint venture of $48m; and
- trade and other payables and deferred income increased by $61m and related mainly to increased payroll and other benefits.

AngloGold Ashanti Annual Financial Statements 2009
P
31

Statement of cash flows

An analysis of the abridged statement of cash flows is presented and significant variations in balances are commented upon below.

US dollar millions	Notes	2009	2008
Cash generated from operations including discontinued operations	1	1,345	631
Dividends received from equity accounted investments	2	101	78
Taxation paid		(147)	(125)
Cash utilised for hedge buy-back costs		(797)	(1,113)
Net cash inflow (outflow) from operating activities		502	(529)
Capital expenditure	3	(1,019)	(1,194)
Net proceeds from the acquisition and disposal of tangible assets, investments, and associate and joint venture loans	4	778	92
Interest received		55	67
Other investing activities		(9)	(6)
Net cash outflow from investing activities		(195)	(1,041)
Net proceeds from share issues	5	295	1,668
Net borrowings proceeds	6		

43
239
Dividends and finance costs paid
(167)
(151)
Net cash inflow from financing activities
171
1,756
Net increase in cash and cash equivalents
478
186
Translation
47
(88)
Cash and cash equivalents at beginning of year
575
477
Cash and cash equivalents at end of year
1,100
575

Statement of cash flows commentary

The higher closing cash position is mainly the result of improved cash generated from the operations and the sale of the
Boddington joint venture. Other items that contributed to significant movements in the cash flow year-on-year were the hedge
buy-back costs, capital expenditure, net proceeds from the sale and acquisition of assets and investments, as well as
proceeds from the issue of shares.

Operating activities

1. Cash generated from operations including discontinued operations more than doubled from $631m to $1,345m mainly due
to the higher received gold price, partly negated by the lower ounces produced and sold and the higher total cash costs.
Movements in working capital resulted in a net outflow of $206m in 2008 compared with $50m in 2009. The reduced level
of cash locked up in working capital is mainly due to an increase in trade and other payables. Trade and other payables
increased due to the timing of payments and higher year-end accruals following annual escalations and inflationary
increases on payroll and other benefits.

2. The marginally higher dividends received in 2009 from equity accounted investments is due to an additional distribution of
$30m from Yatela largely attributed to the 35% increase in production to 89,000oz and the improved received gold price.

Investing activities

3. Capital expenditure reduced by $175m from $1,194m to $1,019m in 2009. This was primarily driven by a reduction of
capital expenditure at the Boddington gold mine of $274m. Capital expenditure during 2009 consisted of $413m relating
to project capital, $348m for Ore Reserve development and $258m for stay-in-business capital.
Excluding the Boddington joint venture, project capital expenditure year-on-year was up by $34m and is primarily attributed
to the MLE1 project at Cripple Creek & Victor which had increased by $54m. Ore Reserve development expenditure
increased by $87m and mainly arose at South Africa, in line with increased Ore Reserve development metres. Stay-in-

business expenditure decreased by $21m and was mainly driven by reduced capital requirements at Geita of $34m.

4. The net proceeds from the sale of assets increased from $92m to $778m in 2009. During 2009, $990m was received from
the sale of the Boddington joint venture and $145m was reimbursed for the capital expenditure incurred. The balance of
the proceeds relates mainly to real estate activities in Brazil. The proceeds were partly offset by the acquisition of an
effective 45% interest in the Kibali gold project of $344m, an additional interest in Sadiola for $6m, and investments in
environmental rehabilitation trust funds established by AngloGold Ashanti in compliance with regulatory requirements, and
other sundry investment purchases.
Proceeds from the sale of assets in 2008 consisted of $14m for the North American royalty and production related interests
of the El Chante and Marigold projects, $14m from the disposal of a 50% interest in Amikan and AS APK, $7m from real
estate activities in Brazil, $10m from the sale of the Ergo assets and $48m arising from the sale of the 50% interest in Nufcor
International Limited partly offset by investments in environmental rehabilitation trust funds.

Financing activities

5. The net proceeds from the issue of shares reduced from $1,668m in 2008 to $295m in 2009. In 2008, the rights offer
resulted in the issuing of 69,470,442 shares of 25 South African cents each at a subscription price of R194.00 raising some
$1.7bn. On 1 September 2009, AngloGold Ashanti announced the placing of 7,624,162 AngloGold Ashanti ordinary
shares at an issue price of $37.25 per American Depositary Share. The offering closed on 8 September 2009 and total
proceeds of $284m were received.

6. Net borrowing proceeds decreased from $239m in 2008 to $43m in 2009. The 2009 year included proceeds of $732.5m
on the 3.5% convertible bonds, $1bn on the term facility and $985m on the syndicated loan facility ($1,150m). This was
partly offset by repayments of $1bn on the 2.375% convertible bonds, $750m on the term facility and $899m on
the syndicated loan facility ($1,150m). The balance of the movements relate to proceeds and repayments in terms of
other loan agreements.
In 2008, net borrowing proceeds include a draw down of $743m on the $1,150m syndicated loan facility. Repayments
include $242m on the corporate bond, and $316m on the $1,150m syndicated loan facility. The balance of the movements
relate to proceeds and repayments in terms of other loan agreements.

One-year forecast – 2010

AngloGold Ashanti's annual production guidance for 2010 is 4.5Moz to 4.7Moz. This reflects the sale of Tau Lekoa, cautious
assumptions regarding the frequency of safety related stoppages in South Africa, and increased production from CC&V, where
the grade is expected to stabilise in 2010 after having been negatively affected by recoveries from the leach pad in 2009.
Capital expenditure for 2010 is estimated at $1bn to $1.1bn.

For the year ending 31 December 2010

	Forecast production 000oz	Expected total cash cost $/oz (1)	Forecast capital expenditure $m (4)
South Africa (2)(3)	1,722 – 1,800	553 – 571	391
Namibia	96 – 100	600 – 628	18
Ghana	593 – 619	562 – 588	156
Mali	265 – 277	663 – 695	12
Guinea	295 – 308	527 – 552	11
Tanzania	339 – 354	833 – 872	36
Australia	381 – 398	901 – 943	36
Argentina	176 – 184	411 – 430	48
Brazil	419 – 437	424 – 444	251

United States of America
214 – 223
480 – 503
78
Democratic Republic of the Congo
–
–
17
Other
–
–
27
AngloGold Ashanti
4,500 – 4,700
590 - 615
1,081
(1)
Based on the following assumptions: R7.70/$, A$/$0.93, BRL1.70/$ and Argentinian peso 3.90/$; oil at $75 per barrel. The year-on-year increase in total cash
costs is due to the unwinding of previously incurred deferred stripping charges, implementation of royalties in South Africa, higher power tariffs, escalation and
stronger local operating currencies.
(2)
In South Africa, production assumes stable power supply from Eskom and a 35% increase in power tariffs.
(3)
Excludes Tau Lekoa.
(4)
Capital expenditure is managed in line with earnings and cash flows and may fluctuate accordingly. Forecast capital expenditure for operations with non-
controlling interests is reported at 100%. For entities which are equity accounted, the forecast capital spend is the attributable share.
(5)
AngloGold Ashanti anticipates a discount to the spot gold price of 8% to 10% based on a gold price of $950/oz to $1,250/oz.
Other illustrative estimates
For the year ending 31 December 2010
$m
Depreciation and amortisation
700
Corporate costs, marketing and business process framework
210
Expensed exploration and pre-feasibilities
216
Interest and finance charges
120
Srinivasan Venkatakrishnan
Chief Financial Officer

Scorecard 2009 – delivering
on our commitments

AngloGold Ashanti Annual Financial Statements 2009
P
35
2008 – Commitment
2009 – Delivery

Share overhang

•
Eliminate the overhang created by
•
The 11.3% stake was sold to Paulson & Co. during March.
Anglo American plc's plan to exit their
investment in AngloGold Ashanti.

Rebuilding financial capacity

•
Improve balance sheet and reduce debt
•
Net debt reduced by 32% to $868m.
to create a platform for growth.
•
Hedge book reduced by a further 35% to 3.9Moz by end 2009,
•
Reduce hedge book.
reducing discount on realised gold price and overall financial risk.
•
Sharpen focus on capital management.
•
Operating cash flow for the year of $502m.
•
Increase operating cash flow leverage.
•
Return on net capital employed of 17.7% achieved (2008: 2.6%).

Operating delivery initiative

•
Begin implementation of Project ONE, the
•
Phased implementation at the Mponeng plant, Geita mine and plant,
overarching business improvement initiative
Siguiri plant, AngloGold Ashanti Brasil Mineração mines and plant,
that will drive AngloGold Ashanti toward
Sunrise Dam plant and Savuka plant.
achieving five-year targets on safety,
Detailed plans drawn for rollout to 11 sites in 2010, including:
productivity and returns.
Mponeng, Kopanang mine and plant, TauTona and Moab Khotsong
mines; Iduapriem plant and Obuasi mine and plant; Cerro Vanguardia
and Serra Grande mine and plants; CC&V mine; Navachab mine and
plant; Great Noligwa uranium plant.
•
Address critical operating challenges,
•
Cerro Vanguardia production increased 25% and costs declined 42%;

in Argentina, Ghana and Tanzania
credible growth plan in place from underground and heap leach.
projects.

•

Obuasi production increased 7% and costs declined 0.5%; Obuasi made positive contribution for first time in five years; practicable plan in place to secure long-term future of deposit.

•

Geita plan in place to remediate operating performance. Costs on declining trajectory.

Optimising leadership and skills base

•

Human resources policy development centralised to ensure alignment and focus on delivering the group strategy.

•

The System for People, the human resources component of Project ONE, was finalised and its rollout across the company began in 2009.

•

Management changes made at underperforming operations.

•

Ensured those with appropriate skills were appointed at each level of the organisation.

Turning around safety performance

•

Strive to eliminate fatalities entirely and

•

Lost-time injury frequency rate (LTIFR) improved 10% to 6.57 per
to reduce all injury rates by 20% in 2009
million hours worked.
– the long-term goal is a 70% reduction in

•

Safety Transformation Blueprint developed to effect quantum improvement
these rates by 2014.
in safety after 16 fatalities reported in 2009. Launch of this safety initiative is planned for April 2010.

Pursuing growth

•

Drive organic growth at existing assets,

•

Ore Reserve increased by 5% to 71.4Moz after adjusting for Boddington
through greenfields exploration, Boddington.
brownfield expansion and by acquisitions

•

Successfully completed pre-feasibility study on Tropicana Project and
where these add value.
commenced with bankable study due for completion in 2010.

•

Conducted successful exploration campaign to confirm mineralisation at São Bento deposit in Brazil.

•

Acquired an effective 45% of the Kibali gold project, in the Democratic Republic of the Congo.

•

Exploration programme expanded and revitalised with new greenfields exploration taking place in Canada, Argentina, Brazil, Guinea, Gabon, Egypt, Saudi Arabia, Eritrea and Solomon Islands.

•

Marine exploration joint venture with De Beers.

•

Delays continued in obtaining final permission to continue drilling at La Colosa site in Colombia.

AngloGold Ashanti Annual Financial Statements 2009
Project ONE
P
36
Project ONE

AngloGold Ashanti Annual Financial Statements 2009
P
37
AngloGold Ashanti's Project ONE programme is the holistic transformation initiative that underpins the effort to reach an ambitious, but achievable, set of strategic safety, productivity, environmental and financial goals. AngloGold Ashanti has set a five-year objective of reducing accident rates by 70%; increasing overall productivity by 30%; cutting reportable environmental incidents by 60%; increasing production by 20%; achieving a 25% real reduction in costs; and, crucially, achieving a return of at least 15% on capital employed through the economic cycle. By achieving these aims, the company will carve for itself a unique competitive position in the mining industry with the management capacity and cash flow to realise its long-term vision of being the world's leading mining company.

Practically, Project ONE introduces a common business approach in two main areas:

- The System for People, a managerial effectiveness model is focused on people as the catalysts and drivers of change, and is designed to bring about effective working relationships based on trust and a culture of accountability at all levels.
- The Business Process Framework, a scientifically rigorous model focused on both short- and long-term planning and execution of work. This framework delivers the business expectations and operational targets set by the organisation while incorporating possibilities for continuous improvements.

The primary focus of Project ONE is to introduce a common business process across AngloGold Ashanti, from its 21 mining operations across 10 countries, to its myriad exploration sites across 4 continents and its corporate hubs in South Africa, the United States and Australia. The programme was launched in August 2008 under the direction of Tony O'Neill, Executive Vice President – Business and Technical Development, and is now being implemented at all operations.

The benefit of introducing this common business process lies in establishing a disciplined and uniform operating methodology in order to minimise waste and variation. This, in turn, will ensure each operation and every service function operates consistently at their highest performance and efficiency levels.

The philosophy is simple in theory and execution. Volatility and variation in any business process creates uncertainty, whether in determining mining volumes and plant feed or in optimising maintenance schedules and supply-chain management. The same holds for the management of working relationships. It is this variation and volatility which skews outcomes, and which can be reduced by implementing rigorous planning, scheduling, resourcing and execution processes, and most importantly, by clarifying roles and accountabilities at each level.

The merits of this approach are already in evidence at the two pilot sites for the project: the Mponeng plant in South Africa and the Geita mine in Tanzania. The business improvement initiative was initiated at the Mponeng plant in October 2008, and

contributed to a 15% increase in throughput over the historical average. This is an especially significant result at the Mponeng
plant, long regarded as the flagship operation within the group.
Mponeng plant daily tonnes (over 12 months)
1,000
0
Dec 2008
Dec 2009
Months
2,000
3,000
4,000
5,000
6,000
7,000
UCL
LCL
Mean
Mean
UCL
LCL
Mean
UCL
LCL
UCL – Upper control limit
LCL – Lower control limit
T
onnes

AngloGold Ashanti Annual Financial Statements 2009
Project ONE
P
38

At Geita, where Project ONE was launched in February 2009, immediate results from both the System for People and the Business Process Framework interventions have been even more striking. For too long, Geita's performance suffered because of continual equipment breakdowns, poor plant and fleet availability, an overall lack of mining flexibility and a skills deficit in some key areas. Graham Ehm, formerly the Executive Vice President of our Australian operations and one of our most experienced open pit-mine operators, was appointed in May 2009 to lead the change at Geita in partnership with Richard Duffy and his team. Graham was able to build on solid preparatory work done before his appointment and also to take decisive action to effect the improvements seen by the end of 2009. The remarkable improvements achieved are emblematic of Project ONE's potential.

Through careful analysis of the relevant aspects of Geita's operations – from human resources, drilling and blasting, to plant availability and fleet maintenance – the flaws in the overall operating methodology became apparent. And so did the remedies.

There are powerful anecdotes that demonstrate the resulting change.

A dispassionate look at the mine's drill and blast performance showed AngloGold Ashanti did not possess the right level of expertise in Tanzania to ensure anything but a hand-to-mouth existence in broken stocks. Soon after appointing specialist drill-and-blast contractors in May, stocks of broken ore rose to more than three weeks worth and provided the necessary mining flexibility we needed. This had positive reverberations throughout the rest of the operation.

Our study at Geita also showed a critical deficiency in maintenance. Our teams were running flat-out to deal with emergency breakdowns, which were occurring with alarming frequency due to a lack of scheduled maintenance and general backlog on basic upkeep of equipment of all types. Identifying this problem enabled Geita's management to appoint a rapid-response team to address the ongoing emergency issues, while another group was put in place to address the maintenance backlog.

To this end, work orders for recurring jobs have been designed to ensure the right person is appointed and that they have the correct resources available at the right time to efficiently complete their work in the time allotted. This requires active participation by the management team and each level of the workforce in frequent planning sessions where expectations are set, tasks assigned and accountability apportioned.

Geita plant daily tonnes (over 12 months)
0
Jan 2009
Dec 2009
Months
20,000

UCL
LCL
Mean
Mean
UCL
LCL
Mean
UCL
LCL
15,000
10,000
5,000
UCL – Upper control limit
LCL – Lower control limit
T
onnes

The Geita team has focused on limiting volatility and variance, and smoothing out the peaks and troughs in each of the operating processes. By reducing volatility and increasing operating certainty through detailed planning, the average throughput can be enhanced and efficiency increased with only nominal capital investment. In short, by ensuring that the right people are in the right place, to do the right job at the right time, productivity has been bolstered in a meaningful way. By combining the technical skills in the business with the equally important skills of organisational design and human resource management, AngloGold Ashanti is beginning to realise Geita's potential.

Plant availability and throughput are significantly higher and disruptive weekly maintenance shutdowns have been replaced by well-resourced monthly shutdowns; the increase in broken stocks has greatly improved flexibility; bench designs are improved and in-pit road designs have been greatly enhanced which has allowed trucks to achieve better cycle times; fleet availability is also markedly better, which has significant consequences not only for efficiency, but also for fleet replacement. The confluence of these factors will help mining teams to access higher grade areas more quickly than originally anticipated and ultimately will bolster production further and lower costs.

The improvements are not independent of other management interventions, but the introduction of consistent business processes will ensure that improvements are sustained and extended.

Following the success of the pilot projects, the business improvement intervention was extended to the Siguiri plant in Guinea, Sunrise Dam in Australia, the Savuka plant in South Africa and the AngloGold Ashanti Brazilian operations in Nova Lima.

Operational improvements are expected at these sites during the course of 2010. Implementation will have begun at the remaining sites by mid 2011.

Geita plant daily recovery (over 12 months)

0
Jan 2009
Dec 2009
Months
100
UCL
LCL
Mean
Mean
UCL
LCL
Mean
UCL
LCL
80
60
40
20
UCL – Upper control limit

LCL – Lower control limit
%

AngloGold Ashanti Annual Financial Statements 2009
Five-year summaries
P
40
For the year ended 31 December
Five-year
summaries
Summarised group financial results – income statement
US Dollar million
2009
2008
2007
2006
2005
Gold income
3,768
3,619
3,002
2,646
2,393
Cost of sales
(2,813)
(2,728)
(2,458)
(2,138)
(2,149)
Loss on non-hedge derivatives and other commodity contracts
(1)
(1,533)
(297)
(792)
(231)
(135)
Gross (loss) profit
(578)
594
(248)
277
109
Corporate administration and other expenses
(154)
(131)
(128)
(84)
(64)
Market development costs
(10)
(13)
(16)
(16)
(13)

Exploration costs
(150)
(126)
(117)
(58)
(44)
Other net operating expenses
(8)
(6)
(20)
(20)
(24)
Operating special items
691
(1,538)
(13)
(7)
(67)
Operating (loss) profit
(209)
(1,220)
(542)
92
(103)
Dividend received from other investments
–
–
2
–
–
Interest received
54
66
43
31
24
Exchange gain (loss)
112
4
(1)
(5)
2
Fair value adjustment on option component of convertible bond
(33)
25
47
16
(32)
Finance costs and unwinding of obligations
(139)
(114)

(120)
(116)
(102)
Fair value loss on interest rate swaps
–
–
–
–
(1)
Share of equity accounted investments' profit (loss)
94
(138)
35
115
43
(Loss) profit before taxation
(121)
(1,377)
(536)
133
(169)
Taxation
(147)
197
(101)
(146)
46
Loss after taxation from continuing operations
(268)
(1,180)
(637)
(13)
(123)
Discontinued operations
Profit (loss) from discontinued operations
–
25
1
(2)
(36)
Loss for the year
(268)
(1,155)
(636)
(15)
(159)
Allocated as follows:
Equity shareholders
(320)
(1,195)
(668)

(45)
(182)
Non-controlling interests
52
40
32
30
23
(268)
(1,155)
(636)
(15)
(159)
Other financial data
Adjusted gross profit (loss)
(1)
$m
412
(384)
835
884
395
Headline loss
$m
(852)
(30)
(648)
(82)
(145)
Adjusted headline (loss) earnings
(1)
$m
(50)
(897)
278
411
153
Adjusted headline earnings excluding hedge buy-back costs $m
708
19
278
411
153
Adjusted gross margin excluding hedge buy-back costs
%
13
(16)
25
29
16
EBITDA

(1)
$m
1,663
1,131
1,224
1,409
772
EBITDA margin
%
52
48
37
47
30
Interest cover
(1)
times
11
8
9
11
7
Loss per ordinary share (cents)
Basic US
cents
(89)
(377)
(237)
(16)
(69)
Diluted
US cents
(89)
(377)
(237)
(16)
(69)
Headline
US cents
(236)
(9)
(230)
(30)
(55)
Adjusted headline (loss) earnings
(1)
US cents
(14)
(283)
99
151

58
Dividends paid per ordinary share
US cents
17
11
19
62
36
Weighted average number of shares
million
361
317
281
273
265
Issued shares at year-end
million
366
357
282
280
265
(1)
Refer to Non-GAAP disclosure notes on pages 346 to 352.

AngloGold Ashanti Annual Financial Statements 2009
P
41
As at 31 December
Summarised group financial results – statement of financial position
US Dollar million
2009
2008
2007
2006
2005
Assets
Tangible and intangible assets
5,996
4,493
7,041
6,329
6,139
Cash and cash equivalents
1,100
575
477
471
197
Other assets
2,691
2,992
2,190
2,022
1,859
Total assets
9,787
8,060
9,708
8,822
8,195
Equity and liabilities
Total equity
3,030
2,511
2,442
3,047
2,661
Borrowings
1,931
1,933
1,848
1,448
1,856
Deferred taxation
753

617
1,042
1,093
1,136
Other liabilities
4,073
2,999
4,376
3,234
2,542
Total equity and liabilities
9,787
8,060
9,708
8,822
8,195
Other financial data
Equity
3,915
3,242
3,926
4,529
4,217
Net capital employed
(1)
4,876
4,683
5,360
5,568
5,935
Net debt
(1)
868
1,283
1,318
1,015
1,726
Net asset value – per share
(1)
US cents
828
702
867
1,087
1,004
Net tangible asset value – per share
(1)
US cents
779
661
718

946
862
Market capitalisation
(1)
14,555
9,795
11,878
13,008
13,069
Financial ratios
Return on net capital employed excluding
hedge buy-back costs
%
18
3
7
9
4
Net debt to net capital employed
%
18
27
25
18
29
Net debt to equity
%
22
40
34
22
41
Exchange rates
Rand/dollar average exchange rate
8.39
8.25
7.03
6.77
6.37
Rand/dollar closing exchange rate
7.44
9.46
6.81
7.00
6.35
Australian dollar/dollar average exchange rate
1.26
1.17
1.19
1.33
1.31

Australian dollar/dollar closing exchange rate
1.12
1.44
1.14
1.27
1.36
Brazilian real/dollar average exchange rate
2.00
1.84
1.95
2.18
2.44
Brazilian real/dollar closing exchange rate
1.75
2.34
1.78
2.14
2.35
(1)
Refer to Non-GAAP disclosure notes on pages 346 to 352.

AngloGold Ashanti Annual Financial Statements 2009
Five-year summaries
P
42
For the year ended 31 December

Five-year
summaries

Summarised group financial results – statement of cash flows

US Dollar million	2009	2008	2007	2006	2005
Cash flows from operating activities					
Cash generated from operations	1,345	632	983	1,132	619
Cash utilised by discontinued operations	–	(1)	(2)	(1)	(31)
Dividends received from equity accounted investments	101	78	65	85	51
Taxation paid	(147)	(125)	(180)	(110)	(22)
Cash utilised for hedge buy-back costs	(797)	(1,113)	–	–	–
Net cash inflow (outflow) from operating activities	502	(529)	866	1,106	617

Cash flows from investing activities
Capital expenditure
(1,019)
(1,194)
(1,015)
(811)
(711)
Net (payments) proceeds from acquisition and disposal
of mines, subsidiaries, associates and joint ventures
(354)
10
1
9
4
Net proceeds from disposal and acquisition of
investments, associate loans, and acquisition
and disposal of tangible assets
1,132
82
(13)
46
(16)
Dividend received from other investments
–
–
2
–
–
Interest received
55
67
35
24
18
Net loans repaid (advanced)
1
–
–
5
(1)
(Increase) decrease in cash restricted for use
(10)
(6)
(25)
(3)
17
Utilised in hedge restructure
–
–
–
–

(69)
Other investing activities
–
–
–
1
(2)
Net cash outflow from investing activities
(195)
(1,041)
(1,015)
(729)
(760)
Cash flows from financing activities
Net proceeds from share issues
295
1,668
34
507
9
Net borrowings proceeds (repaid)
43
239
323
(394)
305
Finance costs paid
(111)
(93)
(72)
(82)
(73)
Dividends paid
(56)
(58)
(144)
(132)
(169)
Net cash inflow (outflow) from financing activities
171
1,756
141
(101)
72
Net increase (decrease) in cash and cash equivalents
478
186
(8)
276
(71)
Translation

47
(88)
14
(2)
(8)
Cash and cash equivalents at beginning of year
575
477
471
197
276
Cash and cash equivalents at end of year
1,100
575
477
471
197
Other financial data
Free cash flow
(1)
(104)
(1,069)
336
633
160
Cash generated to cash invested
(1)
times
2.3
0.6
0.7
1.6
0.8
(1)
Refer to Non-GAAP disclosure notes on pages 346 to 352.

AngloGold Ashanti Annual Financial Statements 2009
P
43
For the year ended 31 December
Summarised group operating results – operating results
2009
2008
2007
2006
2005
Underground operations
Metric tonnes milled
000
11,944
12,335
13,112
13,489
13,806
Yield
g/t
6.41
6.89
6.99
7.20
7.31
Gold produced
000 oz
2,461
2,734
2,948
3,123
3,243
Surface and dump reclamation
Metric tonnes treated
000
12,779
11,870
12,429
12,414
8,061
Yield
g/t
0.51
0.42
0.49
0.50
0.52
Gold produced
000 oz
208
161

197
201
136
Open-pit operations
Metric tonnes mined
000
167,000
175,999
172,487
173,178
168,904
Stripping ratio
(1)
5.58
5.24
4.48
4.82
5.02
Metric tonnes treated
000
25,582
25,388
25,312
26,739
25,541
Yield
g/t
1.96
2.12
2.34
2.14
2.74
Gold produced
000 oz
1,609
1,734
1,904
1,843
2,246
Heap-leach operations
Metric tonnes mined
000
57,456
54,754
59,720
63,519
61,091
Metric tonnes placed
(2)
000
19,887

23,462
22,341
23,329
22,227
Stripping ratio
(1)
1.94
1.43
1.77
1.83
1.97
Recoverable gold placed
(3)
kg
12,958
14,496
16,242
18,162
18,500
Yield
(4)
g/t
0.65
0.62
0.73
0.78
0.83
Gold produced
000 oz
321
353
428
468
541
Total gold produced
000 oz
4,599
4,982
5,477
5,635
6,166
– Southern Africa
1,862
2,167
2,408
2,640
2,757
– Continental Africa
1,520
1,562
1,575

1,693
2,067
– Australasia
401
433
600
465
455
– North America
218
258
282
283
330
– South America
598
562
612
554
557
Average price received
(5)
$/oz sold
751
485
629
577
439
Total cash costs
(6)
$/oz produced
514
444
357
308
281
Total production costs
(6)
$/oz produced
646
567
476
414
374
Capital expenditure
$m
1,027
1,201
1,059
817
722

Monthly average number of employees
63,364
62,895
61,522
61,453
63,993
LTIFR
6.57
7.32
8.24
7.70
6.77
FIFR
0.10
0.09
0.21
0.22
0.14
Definitions
(1)
Stripping ratio = (total tonnes mined – ore tonnes mined)/ore tonnes mined.
(2)
Tonnes placed onto leach pad.
(3)
Recoverable gold placed onto leach pad inventory.
(4)
Recoverable gold placed/tonnes placed.
Comments
(5)
Average gold price received negatively impacted by the reduction of the hedge book in 2008 and 2009.
(6)
Unit cost increases have been driven primarily by lower production and input cost inflation.

AngloGold Ashanti Annual Financial Statements 2009
Operations at a glance
P
44
For the year ended 31 December
Operations at a glance
Attributable tonnes
Average
Attributable
treated/milled
grade recovered
gold production
(Mt)
(g/t)
(000oz)
Operation
2009
2008
2007
2009
2008
2007
2009
2008
2007
Southern Africa
1,862
2,167
2,408
Vaal River
Great Noligwa
0.9
1.4
2.0
5.73
7.33
7.54
158
330
483
Kopanang
1.6
1.6
1.8
6.74
6.82
7.24
336
362
418
Moab Khotsong

0.8
0.6
0.3
9.36
9.31
7.94
247
192
67
Tau Lekoa
1.2
1.2
1.4
3.32
3.58
3.62
124
143
165
Surface operations
9.7
7.9
8.0
0.53
0.36
0.49
164
92
125
West Wits
Mponeng
1.9
1.9
1.9
8.66
10.02
9.50
520
600
587
Savuka
0.2
0.3
0.3
5.45
6.28
6.69
30
66
73
TauTona

(1)
1.5
1.6
1.8
7.29
8.66
9.67
218
314
409
South Africa
1,797
2,099
2,328
Namibia
Navachab
1.3
1.5
1.6
1.58
1.43
1.56
65
68
80
Continental Africa
1,520
1,562
1,575
Ghana
Iduapriem
(2)
3.4
3.5
2.8
1.72
1.76
1.85
190
200
167
Obuasi
(1)
4.6
5.6
6.0
5.18
4.37
4.43
381
357

360
Guinea
Siguiri (85%)
8.8
8.6
8.3
1.11
1.20
1.05
316
333
280
Mali
Morila (40%)
1.7
1.7
1.7
2.47
3.08
3.36
137
170
180
Sadiola (41%)
(3)
1.7
1.6
1.6
2.52
3.42
2.76
135
172
140
Yatela (40%)
(4)
1.1
1.1
1.2
3.62
2.66
3.46
89
66
120
Tanzania
Geita
4.5
4.3
5.1
1.89

1.92
2.01
272
264
327
Australasia
401
433
600
Australia
Sunrise Dam
(5)
3.9
3.8
3.8
2.87
3.46
4.86
401
433
600
North America
218
258
282
United States
Cripple Creek & Victor
(4)
18.7
22.1
20.9
0.46
0.49
0.53
218
258
282
South America
598
562
612
Argentina
Cerro Vanguardia (92.5%)
0.9
0.9
0.9
6.51
5.44
6.88
192
154

204
Brazil
Brasil Mineração
(1)
1.5
1.4
1.4
7.02
7.62
7.48
329
320
317
Serra Grande (50%)
(1)
0.5
0.4
0.4
4.72
7.58
7.21
77
87
91
AngloGold Ashanti
4,599
4,982
5,477
(1)
The yield of TauTona, Obuasi, Brasil Mineração and Serra Grande represents underground operations.
(2)
Prior to 1 September 2007, AngloGold Ashanti's shareholding in Iduapriem was 85%.
(3)
Prior to 29 December 2009, AngloGold Ashanti's shareholding in Sadiola was 38%.
(4)
The yield of Yatela and Cripple Creek & Victor reflects recoverable gold placed/tonnes placed from heap leach operations.
(5)
The yield of Sunrise Dam represents open-pit operations.

AngloGold Ashanti Annual Financial Statements 2009
P
45

Attributable capital
Total cash costs
expenditure
($/oz)
($m)
Operation
2009
2008 2007 2009
2008 2007
Southern Africa
472
367
346
405
349
367
Vaal River
Great Noligwa
794
458
403
24
26
37
Kopanang
406
348
307
58
47
52
Moab Khotsong
424
379
668
104
89
89
Tau Lekoa
718
533
474
17
18
16
Surface operations
341
440

305
3
–
1
West Wits
Mponeng
329
249
264
109
86
86
Savuka
1,115
411
403
13
11
9
TauTona
559
374
317
57
60
71
South Africa
466
362
343
385
337
361
Namibia
Navachab
622
534
419
20
12
6
Continental Africa
608
544
423
178
250
175
Ghana
Iduapriem
(1)

516
525
373
28
54
23
Obuasi
630
633
459
94
112
94
Non-controlling interests and exploration
–
–
–
2
2
1
Guinea
Siguiri (85%)
519
466
464
22
18
18
Non-controlling interests and exploration
–
–
–
4
4
3
Mali
Morila (40%)
527
419
350
4
1
1
Sadiola (41%)
(2)
488
399
414
4
3
6

Yatela (40%)
368
572
322
1
3
2
Tanzania
Geita
954
728
452
19
53
27
Australasia
662
552
313
177
439
281
Boddington (33.33%)
–
–
–
146
419
249
Sunrise Dam
646
531
306
31
19
30
Exploration and other
–
–
–
–
1
2
North America
385
334
282
87
27
23
United States

Cripple Creek & Victor
376
309
269
87
27
23
South America
353
402
262
171
127
162
Argentina
Cerro Vanguardia (92.5%)
355
608
261
17
15
18
Non-controlling interests and exploration
–
–
–
1
1
2
Brazil
Brasil Mineração
339
300
233
84
69
117
Serra Grande (50%)
406
294
263
33
20
12
Non-controlling interests exploration
–
–
–
36
22
13

Other
–
–
–
9
9
51
AngloGold Ashanti
514
444
357
1,027
1,201
1,059
(1)
Prior to 1 September 2007, AngloGold Ashanti’s shareholding in Iduapriem was 85%.
(2)
Prior to 29 December 2009, AngloGold Ashanti’s shareholding in Sadiola was 38%.

Introduction

AngloGold Ashanti, a global gold mining company with 21 operations on 4 continents, employed 63,364 people, including contractors, and produced 4.6Moz of gold in 2009.

The group's operations by regional division are:

- Southern Africa – includes all group operations in South Africa and Namibia
- Continental Africa – includes operations in Ghana, Guinea, Mali and Tanzania
- Australasia – includes assets in Australia
- North America – includes the United States operation
- South America – includes operations in Brazil and Argentina

In addition, the company conducts a focused worldwide exploration programme. In the course of mining and processing the ore mined, silver, uranium oxide and sulphuric acid occur as by-products at the Argentinean, South African and Brazilian operations respectively.

Review of operations

AngloGold Ashanti Annual Financial Statements 2009
P
47
Underground
54%
Open pit
35%
Heap leach
7%
Surface
4%
Production by type of mining – 2009
Southern Africa
40%
Continental Africa
33%
Australasia
9%
North America
5%
South America
13%
Production by region – 2009
476
07
08
09
Group production costs
($/oz)
567
646
$646
/oz
1,059
07
08
09
Group capital expenditure
($m)
1,201
1,027
$1,027
m
357
07
08
09
09
Group cash costs
($/oz)
444

514
$514
/oz
Group – key data
5,477
07
08
09
Group gold production
(000oz)
4,982
4,599
4.6
Moz

AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
48

Group safety

AngloGold Ashanti's focus on safety continued in 2009. The company's approach to managing risk and enabling employees
to work safely in a supportive work environment is based on a new conversational culture, where many voices participate and
make a meaningful contribution to designing the way in which the company works and protects itself from both known and
unexpected risks. The success of this approach depends on four key factors – leadership, engagement, systems, and
learning. For these factors to be effective, they need to occur in an enabling environment. The focus of the safety
transformation process is on moving the organisation towards a culture of engagement and learning that stimulates
awareness of the nature of risk.

It is with much regret that the company reports that 16 employees lost their lives at work in 2009 (2008: 14 fatalities). While
it is particularly disappointing that this figure indicates a relapse from the prior year, AngloGold Ashanti remains focused on
decreasing the long-term trend in fatal accidents.

Expressed in terms of safety performance statistics, the fatal injury frequency rate (FIFR) was 0.10 per million hours worked,
compared with 0.09 in 2008 and 0.21 in 2007. The lost-time injury frequency rate (LTIFR) in 2009 was 6.57 per million hours
worked compared with 7.32 in 2008 and 8.24 in 2007.

0.14
05
06
07
09
Group FIFR
(per million hours worked)
0.22
0.21
08
0.09
0.10
6.77
05
06
07
08
09
7.70
Group LTIFR
(per million hours worked)
8.24
7.32
6.57

AngloGold Ashanti Annual Financial Statements 2009
P
49

Group operating review

In 2009, AngloGold Ashanti produced 4.60Moz of gold, a decrease of 8% on the 4.98Moz produced in 2008. This was in line
with the revised production forecast.

This year-on-year decline in gold production was a result of:

- lower grades mined;
- safety stoppages in South Africa;
- seismic event at Savuka that damaged the shaft infrastructure;
- two-month stoppage at TauTona;
- lower grade ore processed at Sunrise Dam due to the high-grade Mega open pit being exhausted in 2008; and
- lower leach-pad recoveries at CC&V.

Group total cash costs for the year increased from $444/oz to $514/oz. This was mainly due to lower production volumes
and grade, ore stockpile inventory draw downs and inflation.

Total cash cost increases varied by region, with the South African operations under the most pressure. Here, a 9.7% wage
increase and a 31.3% increase in electricity tariffs – both effective from mid-year – together with the relative strength of the
local currency, compounded by a 14% drop in production, resulted in a cash cost increase of 29% for the South African
operations.

Given the focus on optimising operational performance and maintaining costs, the group continued to invest significantly in
capital expenditure. Capital expenditure for the year amounted to $1,027m (2008: $1,201m), of which 26% ($264m) was
stay-in-business expenditure, 34% ($347m) was spent on Ore Reserve development, principally at the South African
operations and 40% ($416m) was spent on new project development, primarily at:

- Mponeng below 120 CLR Project;
- CC&V Mine Life Extension Project and
- Boddington joint venture – an amount of $145m incurred to June 2009 was reimbursed with the sale of the asset.

Safety remained the highest priority for the group and the performance of each operation is detailed in separate discussions
below. In addition, given the group's move towards integrated reporting, significant issues related to sustainable development
are dealt with briefly in these operational discussions. For a more detailed review of these issues, see the Sustainability
Review 2009.

Group outlook

Gold production in 2010 is expected to be between 4.5Moz and 4.7Moz. Given that the relative strength of local operating
currencies is anticipated to continue, total cash costs are expected to remain under pressure, ranging between $590/oz and
$615/oz. AngloGold Ashanti's exchange rate assumptions for 2010 are: R7.70/$, A$/$0.93, Brazilian real 1.70/$ and the
Argentinean peso 3.90/$.

Capital expenditure is estimated at $1bn to $1.1bn for 2010.

Namibia
Navachab 65,000oz
N
Operations
South Africa
Vaal River
Great Noligwa
158,000oz
Kopanang 336,000oz
Moab Khotsong
247,000oz
Tau Lekoa
124,000oz
Surface operations
164,000oz
West Wits
Mponeng 520,000oz
Savuka
30,000oz
TauTona 218,000oz

Southern Africa

AngloGold Ashanti's Southern Africa region includes the group operations in South Africa and Namibia. In 2009, the Southern Africa region produced 1.862Moz (57,922kg) of gold, equivalent to 40% of group production, at a total cash cost of $472/oz.

The Mineral Resource in Southern Africa, attributable to AngloGold Ashanti, totalled 109.28Moz at year-end and the attributable Ore Reserve, 32.57Moz.

Locations on maps are for indication purposes only.

Podcast available at www.aga-reports.com/09/podcasts.htm

Robbie Lazare, Executive Vice President – South Africa, discusses AngloGold Ashanti's operations in Southern Africa

AngloGold Ashanti Annual Financial Statements 2009
P
51
South Africa
39%
Namibia
1%
Rest of AngloGold Ashanti
60%
Contribution to group production
– by country
Mponeng
11%
Kopanang 7%
Moab Khotsong
5%
TauTona 5%
Tau Lekoa
3%
Great Noligwa
3%
Surface operations
4%
Savuka 1%
Navachab 1%
Rest of AngloGold Ashanti 60%
Contribution to group production
– by operation
367
07
08
09
Capital expenditure
($m)
349
405
$405
m
37,385
07
08
09
Total number of employees*
37,609
38,003
* Including contractors
38,003
346
07
08
09

Total cash costs
($/oz)
367
472
$472
/oz
Southern Africa – key data
2,408
07
08
09
Gold production
(000oz)
2,167
1,862
1.9
Moz

AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
52
South Africa
AngloGold Ashanti's South African operations comprise seven deep-level mines and one surface operation. They are Great Noligwa, Kopanang, Tau Lekoa, Moab Khotsong and the surface operation, which make up the Vaal River region, and Mponeng, Savuka and TauTona, which make up the West Wits region. Together, these operations contributed 39% to group production in 2009.
For information on the regulatory environment and licence to operate in South Africa, refer to the section entitled *Regulatory environment enabling AngloGold Ashanti to mine* on page 142 of this report.
Safety
Tragically, there were 13 fatalities (2008: 11 fatalities) at the South African operations during the year in 938 accidents. The FIFR for 2009 was 0.14 per million hours worked (2008: 0.12 and 2007: 0.29), while the LTIFR was 10.40 per million hours worked (2008: 11.24 and 2007:12.72). We remain focused on eliminating all workplace injuries across the operations and are encouraged by the improvement in the LTIFR, which has fallen for the third consecutive year to the lowest level ever recorded by the group. In all, 95 full production shifts and 73 partial production shifts were lost at the South African operations due to safety related stoppages.
A number of initiatives were implemented in 2009 to help achieve the company's aim of eliminating safety incidents. With "*Safety is our First Value*" as the cornerstone of this effort, the South Africa operations continued to push the "*White Flag Day*" initiative to signify injury-free days at each operation. The company also initiated the "*It's OK to Stop!*" programme to encourage employees at all levels to call work to a halt in unsafe conditions. The "*5-TEEN*" process was developed to focus on analysing the activities of the crews in the worst 15% of safety performers, and providing support to effect rapid improvement. An analysis of those teams was conducted in three phases during August and December 2009 and January 2010.
In addition, a three-tier approach to investigation and recovery from fatal accidents was adopted in South Africa, starting with the mandatory on-site inspection and followed by a peer review by an independent team and a technical review which included representation from both the company's executive and the state's mine inspectorate. This new structure is designed to adapt and change safety processes and policies where necessary.
These initiatives were underpinned by the use of a new risk management system software application which was installed during the course of the year and is expected to be fully functional during the first quarter of 2010. The South African operations successfully passed their OHSAS 18001: 2007, First Advance Part 2 assessments, a crucial step toward both strengthening existing protocols and establishing common Health and Safety Management systems. Taken together, these

programmes form part of AngloGold Ashanti's Safety Transformation.
Safety Transformation is an ongoing programme designed to deliver on AngloGold Ashanti's safety values. It addresses the company's approach to managing risk through the development of an organisational culture based on engagement and learning, facilitated by effective leadership and underpinned by enabling and sustaining systems. Rollout will begin at three global pilot sites during April 2010, following a global launch on 20 April in South Africa.

Operating performance

Gold production for South Africa totalled 55,908kg (1.797Moz) in 2009, a decline of 14% on the previous year. This decline was mainly a result of a 10% reduction in underground recovered grade and decreased volume due to:

- More rigorous policing of safety regulations by company management and state mine inspectors which caused longer and more frequent stoppages, both following accidents and as a pre-emptive safety measure.
- A seismic event in May that caused significant damage to the underground infrastructure at Savuka, requiring mining activity to be suspended while repairs were made.
- An eight-week suspension of mining at TauTona to conduct a thorough inspection and repair of all shaft steelwork following an incident in October when a length of steel dislodged from the shaft wall.
- An underground fire in March 2009, as well as complex geological structures encountered at Great Noligwa.

AngloGold Ashanti Annual Financial Statements 2009
P
53

Total cash costs rose by 30% in South Africa to R123,401/kg ($466/oz) in 2009 from R95,144/kg ($362/oz) in 2008. The increase is as a result of a decline in production and increased costs driven largely by annual wage increases, higher power tariffs and inflation on input costs. The uranium contribution is offset against cash costs and in 2009 resulted in a reduction in cash costs of R54m ($6m).

Bi-annual South African wage negotiations were successfully concluded in the third quarter, with AngloGold Ashanti and its partners in local trade unions agreeing to an increase that had a 9.7% impact on payroll costs for the South African operations in the first year starting 1 July 2009. In the second year, the impact will be 1% above inflation, with a guaranteed minimum of 7.5%. This settlement, which AngloGold Ashanti believes is fair to all parties, was concluded after a constructive, three-month interaction.

Power tariffs levied by Eskom, the state-owned power utility, increased by 31.3% in 2009, placing additional pressure on cash costs.

Uranium is a by-product of gold mining at South Africa's Vaal River operations. In 2009, total uranium production was 1.4 million pounds, 8% more than the previous year's 1.3 million pounds, due to improved recoveries.

Capital expenditure for the South African operations in 2009 totalled R3,228m ($385m), 16% up on 2008. Stay-in-business expenditure accounted for 20% of total expenditure and included shaft rehabilitation at TauTona and Savuka. Ore Reserve development accounted for another 62% of the capital budget and projects the remaining 18%. The bulk of the project expenditure was on the Mponeng VCR decline R419m ($50m) and Mponeng below 120 R85m ($10m).

Growth projects

The major projects currently being undertaken in South Africa are:

- Mponeng Carbon Leader Reef project
- Moab Zaaiplaats project.

Outlook

Gold production from the South African operations is expected to be between 1.72Moz and 1.80Moz in 2010 at a cash cost of between $553/oz and $571/oz. The latter includes a $16/oz impact of royalties to be paid under the terms of the Mineral and Petroleum Resources Royalty Act, which comes into effect in March 2010 and higher power costs in 2010.

Capital expenditure of R3,008m ($391m) is planned, to be spent primarily on:

- Mponeng VCR Below 120 project R415m ($54m);
- Ore Reserve development R1,740m ($226m);
- Stay-in-business capital R761m ($99m); and
-

Other projects R92m ($12m).

Community and environment

The South African operations manage community and environmental matters within integrated programmes that ensure compliance with legislation and also fulfilment of all obligations to stakeholders, including host communities and the Department of Mineral Resources (DMR).

Both the Vaal River and West Wits operations have a detailed Social and Labour Plan (SLP) and Environmental Management Plan (EMP), developed in accordance with relevant legislation. SLP reports, which detail progress made against firm targets, are submitted to the DMR annually along with EMP audits. Both plans are drawn up after interactions with both host communities and government agencies.

No significant issues were raised by either communities or government on sustainability issues during the year. The EMPs are certified to the ISO 14001 environmental management system standard.

All of the South African operations are fully compliant with the International Cyanide Management Code (Cyanide Code).

For further information see the Sustainability Review 2009 and both the West Wits and Vaal River SLP reports, which are available at www.anglogoldashanti.com.

Vaal River

The Great Noligwa, Kopanang, Moab Khotsong and Tau Lekoa mines are situated near the towns of Klerksdorp and Orkney on the border of North West Province and the Free State. The Vaal River operations have among them four gold plants, one uranium plant and one sulphuric acid plant. Combined, the Vaal River operations, which include the surface division, produced 32.025kg (1,029,000oz) of gold, which is 55% of the South African division's production and 22% of group production.

Great Noligwa

Description

Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney on the Free State side of the Vaal River. The Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here.

This mining operation consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 metres below surface.

Given the geological complexity of the orebody at Great Noligwa, a scattered mining method is employed. The mine shares a milling and treatment circuit with Moab Khotsong and Kopanang Mine, which applies conventional crushing, screening, SAG grinding and carbon-in-leach (CIL) processes to treat the ore and extract gold.

Key statistics

Great Noligwa		**2009**	**2008**	**2007**
Pay limit	(oz/t)	0.43	0.29	0.34
	(g/t)	14.90	10.07	11.69
Recovered grade	(oz/t)	0.167	0.214	0.220
	(g/t)	5.73	7.33	7.54
Gold production	(000oz)	158	330	483
Total cash costs				

($/oz)
794
458
403
Total production costs
($/oz)
990
557
507
Capital expenditure
($m)
24
26
37
Total number of employees
4,739
5,743
6,634
Employees
4,612
5,472
5,908
Contractors
127
271
726
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
54
483
07
08
09
Gold production
(000oz)
330
158
403
07
08
09
Total cash cost
($/oz)
458
794
37
07
08
09
Capital expenditure

($m)
26
24
6,634
07
08
09
Total number of employees*
5,743
4,739
* Including contractors

Safety
The mine achieved its first ever two million fatality-free shifts on 16 July 2009 while the vertical transport and SV3 sections
received one million fatality-free shift awards during the year.
Safety, as measured by the LTIFR, improved significantly with 10.90 per million hours worked recorded for the year (2008: 14.66). The
mine achieved the benchmarks for all safety indices in 2009. There was one fatality in 2009, caused by a fall of ground (2008: 1).
The "*White Flag Day Every Day"* and *"It's OK to Stop"* campaigns were the two major contributors to improved safety. Other
safety initiatives include daily shaft-based communication and visibility tours by both management and union leadership.
Management-initiated safety stoppages also had a positive impact on physical conditions underground and on the improved
safety performance.
Great Noligwa maintained its OHSAS 18001:2007 and ISO 14001 certification in 2009.
Operating performance
Gold production fell by 52% to 4,914kg (158,000oz). The decline in output was due mainly to the transfer of the high-grade SV4
section of the mine to the Moab Khotsong upper mine from July 2008, as well as an underground fire in March and various safety-
related stoppages including those requested by both the DMR and mine management.
In addition, about 33 panels were affected by the intersection of complex, unexpected geological structures, which limited
mining flexibility and development. Yield declined by 22%, mainly because of the transfer of the high-grade SV4 section to
Moab Khotsong and the lower grades mined due to the limited flexibility.
Unit cash costs for the year rose by 77% to R211,048/kg ($794/oz). This increase was mainly the result of lower production
volumes and inflationary pressures on wages and power tariffs.
Capital expenditure of R205m ($24m) was spent mainly on Ore Reserve development and stay-in-business projects which
covered upgrades to both horizontal and vertical transport, accessing old pillar areas and the upgrade of plant infrastructure.
Growth prospects
Given that Great Noligwa is a mature operation, it is in the process of converting from conventional scattered mining to pillar
and/or remnant mining for the remainder of its operational life. The Vaal Reef, which has been the most economically viable reef
at Great Noligwa, is being depleted and the less economical Crystalkop Reef is increasingly being exploited together with the
economically viable pillars and remnants containing the Vaal Reef. Growth opportunities are therefore limited to the possible
inclusion of a few Vaal and Crystalkop Reef safety haulage pillars that are not currently part of the reserve. A feasibility study is
currently being conducted to determine the viability of establishing alternate routes for men, material, ore and ventilation, to

replace these haulages. Should that prove to be successful, these pillars may be mined and will then be included in the 2011
Business Plan.
Outlook
Areas mined in the past 12 months exposed and encountered extremely complex geological structures, resulting in the need
for additional development to re-establish access to areas for further mining. However, mining has progressed close to the
boundary limits, explaining the increased dependency on pillars to sustain a reasonable level of production.
Production in 2010 is projected to be between 3,950kg (127,000oz) and 4,106kg (132,000oz). To ensure longer term viability,
a rationalisation exercise was conducted resulting in lower volumes, a smaller underground footprint and reduced resources.
These initiatives are expected to return the mine to profitability.
Despite lower production and the impact of inflation, total unit cash costs are expected to remain largely unchanged between
$804/oz and $829/oz.
Capital expenditure of R166m ($22m) will be spent mostly on Ore Reserve development, with the remainder earmarked for
stay-in-business projects.

Kopanang

Description

Kopanang adjoins Great Noligwa and is located close to the town of Orkney on the Free State side of the Vaal River. The major reef mined at Kopanang is the Vaal Reef, while the secondary Crystalkop Reef is mined on a smaller scale. Mining operations are conducted at depths ranging from 1,280m to 2,240m.

The Kopanang operation comprises a single shaft system. Given the geologically complex orebody occurring at Kopanang, a scattered mining method is used with the orebody being accessed mainly by footwall tunnelling raised on the dip of the reef and stoped on-strike. Kopanang has a gold processing plant employing both conventional semi-autogenous grinding and carbon-in-pulp (CIP) technology. There are two streams of ore into the plant, one of which is mainly Vaal Reef ore while the other is fed exclusively by Ventersdorp Contact Reef ore from Tau Lekoa.

As the ore mined at Kopanang also contains uranium as a by-product, about 40% of the Vaal Reef ore mined here is sent to the gold plant at Great Noligwa for uranium extraction.

Key statistics

Kopanang		**2009**	**2008**	**2007**
Pay limit	(oz/t)	0.40	0.32	0.36
	(g/t)	13.85	11.07	12.18
Recovered grade	(oz/t)	0.197	0.199	0.211
	(g/t)	6.74	6.82	7.24
Gold production	(000oz)	336	362	418
Total cash costs	($/oz)	406	348	

307
Total production costs
($/oz)
586
492
393
Capital expenditure
($m)
58
47
52
Total number of employees
6,059
6,031
5,935
Employees
5,612
5,620
5,470
Contractors
447
411
465

418
07
08
09
Gold production
(000oz)
362
336
307
07
08
09
Total cash cost
($/oz)
348
406
52
07
08
09
Capital expenditure
($m)
47
58

5,935
07
08
09
Total number of employees*
6,031
6,059
* Including contractors

Safety
There was one fatality at Kopanang in 2009, the result of a fall of ground related accident (2008: 2). The overall safety performance improved during the year with an LTIFR of 11.46 per million hours worked (2008: 12.86), and a FIFR of 0.07 per million hours worked (2008: 0.14). The mine achieved two significant safety milestones in 2009: 1.5 million fatality-free shifts in March 2009 and 750,000 fatality-free shifts in November 2009. Kopanang ended the year at 954,410 fatality-free shifts.
Mitigation strategies were implemented to improve safety performance, to ameliorate risks associated with falls of ground and to improve support standards used in development, horizontal transport and cooling of the work environment.
Kopanang won the Safety Shield; Horizontal Transport and Vertical Transport competitions.
The mine retained its OHSAS 18001:2007 certification.
Operating performance
Gold production fell to 10,481kg (336,000oz) in 2009, 7% less than the previous year. An 8% decline in volumes mined was the major contributor to the decline. Safety-related work stoppages, complex geological structures and insufficient available face length all contributed to the lower volumes.
Unit total cash costs increased to R107,580/kg ($406/oz). This was as a result of lower production as well as inflationary pressures on wages and power tariffs.
The capital expenditure totalled R486m ($58m) for the year compared to R391m ($47m) in 2008. This expenditure related mainly to Ore Reserve development and stay-in-business capital for infrastructure upgrades.
Growth prospects
Four brownfield projects have been identified which could extend the life of Kopanang: Gencor 1 East extension, Crystalkop Reef, the shaft fault area and the ground below current infrastructure on 68 Level.
Outlook
Gold production outlook for 2010 is forecast at between 11,041kg (355,000oz) and 11,539kg (371,000oz) with total cash costs estimated to be between $466/oz and $481/oz. The higher production output relates to an overall increase in yield which is expected to average 6.9g/t.
Capital expenditure of R460m ($60m) will be spent on Ore Reserve development to improve and create mining flexibility, as well as stay-in-business capital related to the Kopanang plant.

67
07
08
09
Gold production
(000oz)
192
247
668
07
08
09
Total cash cost
($/oz)
379
424
89
07
08
09
Capital expenditure
($m)
89
104
3,534
07
08
09
Total number of employees*
4,737
6,069
* Including contractors
Moab Khotsong
Description
Moab Khotsong, which began commercial production in January 2006, is located south and south-east of Great Noligwa and
Kopanang in the Free State province. The mine was developed principally to exploit the Vaal Reef. The first phase of this
operation included development of a main shaft system, a subsidiary ventilation shaft and three main production levels
between 2,600m and 3,054m below surface. The SV4 section transferred from Great Noligwa in 2008 and renamed Top Mine,
was included in Moab Khotsong's 2009 results.
Given the known geological complexity of the Vaal Reef, a scattered mining method is employed with haulages, cross cuts
and raises pre-developed in a grid system.
Key statistics
Moab Khotsong
2009
2008
2007
Pay limit

(oz/t)
0.60
0.69
1.52
(g/t)
20.57
23.51
52.12
Recovered grade
(oz/t)
0.273
0.271
0.232
(g/t)
9.36
9.31
7.94
Gold production
(000oz)
247
192
67
Total cash costs
($/oz)
424
379
668
Total production costs
($/oz)
737
632
1,234
Capital expenditure
($m)
104
89
89
Total number of employees
6,069
4,737
3,534
Employees
4,334
2,914
1,986
Contractors
1,735
1,823
1,548

P
58

AngloGold Ashanti Annual Financial Statements 2009
P
59
Safety
The safety performance at Moab Khotsong deteriorated in 2009. Consequently, four fatalities were recorded during the year,
three as a result of falls-of-ground and the other a backfill accident. The LTIFR was 14.16 per million hours worked
(2008: 11.98) and the FIFR per million hours worked, 0.29 (2008: 0.08). A safety audit of the entire operation was conducted
by external and internal auditors to measure compliance with stoping, and development support standards, as well as the
operation of trucks, tramming and explosive controls. The results of these audits were applied to make improvements.
Encouragingly, the mine achieved 500,000 fatality free shifts in September 2009, 750,000 fatality-free shifts in November 2009
and ended the year with 907,376 fatality free shifts.
The *5-TEEN* process was implemented to monitor the worst 15% of safety performers. Additional training was provided to
refocus attention on the prevention of accidents and the importance of working to established safety standards. Quarterly
safety presentations were also held to reinforce overall compliance with group-wide safety protocols. By year-end, all
employees had received risk assessment training.
Moab Khotsong received eight Section 54 directives from the Department of Mineral Resources during the course of the year,
resulting in the loss of 26 production shifts. The mine successfully completed part one of the OHSAS first advance assessment
in January 2009 with the second part conducted in July 2009. The mine also successfully maintained its ISO 14001
certification after a re-assessment audit was conducted by DQS during July 2009.
Operating performance
Great Noligwa's SV4 section was incorporated into Moab Khotsong as the Top Mine from July 2008 and combined with a
ramp-up in Middle Mine production resulted in a 29% increase in production to 7,686kg (247,000oz).
The grades mined increased by 1% to 9.36g/t and volumes treated increased by 28%, due mainly to the Top Mine's inclusion
as well as ramp-up activities in the Middle Mine. Production was, however, hampered by safety, and mining, related
stoppages and unexpected geological occurrences which affected production at the Middle Mine. The latest geological
modelling indicates that more Ore Reserve development will be necessary to access the orebody.
Total unit cash costs increased by 9% to R111,662/kg ($424/oz) due to higher labour and power costs, partially offset by
higher production.
Capital expenditure for the year totalled R874m ($104m), mainly spent on Ore Reserve development with the balance being
stay-in-business capital and project Zaaiplaats.
Growth prospects
The feasibility study for the optimal extraction of the orebody within the lower mine area of Moab Khotsong, beneath the farm
Zaaiplaats, is complete. The project extends the mine's life and involves its deepening from 101 to 115 level. This project is
estimated to access 160,000kg (5.14Moz) with an estimated capital expenditure of R8bn and is expected to go to the board
for approval during 2010 and a development start date in 2011.
Outlook

Production in 2010 is projected be between 8,398kg (270,000oz) and 8,771kg (282,000oz), at a total cash costs of between
$577/oz and $595/oz. The major reason for the increased cost relates to the further build up of labour in anticipation of higher
production levels, increases in power tariffs and the payment of royalties due to begin in 2010.
Capital expenditure of R864m ($112m) is planned to be spent mostly on Ore Reserve development with the remainder designated for stay-in-business expenditure and exploration drilling.

Tau Lekoa

Description

Tau Lekoa is one of four mining operations in the Vaal River area. It is close to the town of Orkney on the North West Province side of the Vaal River. Unlike the other Vaal River operations, the major reef mined at Tau Lekoa is the Ventersdorp Contact Reef. Mining operations are conducted at depths ranging from 800m to 1,743m, making this one of the shallower AngloGold Ashanti mines in South Africa.

The Tau Lekoa operation comprises a twin-shaft system. Because of its geologically complex orebody, a scattered mining method is used at Tau Lekoa with the orebody being accessed via footwall tunnelling. Stoping takes place on strike. There are currently seven shaft levels with an average of 70 panels in operation. Tau Lekoa employs hydro-power as its primary source of energy.

Ore mined at Tau Lekoa is processed and treated in preparation for gold extraction at the Kopanang gold plant.

On 17 February 2009, AngloGold Ashanti announced that it had agreed to sell, with effect from 1 January 2010, the Tau Lekoa mine, together with the adjacent Weltevreden, Jonkerskraal and Goedgenoeg project areas, to Simmer & Jack Mines Limited (Simmers). On 25 November 2009, AngloGold Ashanti announced that the closing of the sale may be delayed pending approval by the South African Department of Mineral Resources (DMR) of the transfer of the applicable mining rights, the only remaining condition to the sale. AngloGold Ashanti and Simmers have subsequently agreed to extend the deadline for the completion of the transaction from 31 March 2010 to 30 September 2010, to allow for a further possible delay in closing pending the approval of the DMR. Closing of the transaction is anticipated to occur before 30 September 2010.

Key statistics

Tau Lekoa
2009
2008
2007
Pay limit
(oz/t)
0.21
0.17
0.16
(g/t)
7.27
5.70
5.39
Recovered grade
(oz/t)
0.097
0.104
0.106
(g/t)
3.32

3.58
3.62
Gold production
(000oz)
124
143
165
Total cash costs
($/oz)
718
533
474
Total production costs
($/oz)
749
658
622
Capital expenditure
($m)
17
18
16
Total number of employees
3,114
3,034
2,851
Employees
2,700
2,650
2,506
Contractors
414
384
345
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
60
165
07
08
09
Gold production
(000oz)
143
124
474
07
08
09
Total cash cost

($/oz)
533
718
16
07
08
09
Capital expenditure
($m)
18
17
2,851
07
08
09
Total number of employees*
3,034
3,114
* Including contractors

AngloGold Ashanti Annual Financial Statements 2009
P
61

Safety

There were two fatalities at Tau Lekoa (2008: 0), one caused by a locomotive accident and the other a seismic fall of ground.
Consequently, the FIFR per million hours worked deteriorated to 0.25 while the LTIFR improved to 15.68 per million hours worked (2008: 16.57). The mine achieved a million fatality-free shifts on 3 February 2009 for the first time ever in its 24-year history.
Tau Lekoa continued with its *"Pathway to Success"* campaign to enhance safety performance with an emphasis on AngloGold Ashanti's four key strategic safety areas.
Seven Section 54 directives were issued by the DMR, each lasting two days. Section 54 of South Africa's Mine Health and Safety Amendment Act 2008 orders the closure of a shaft or mining area deemed unsafe. These stoppages related to various factors including appropriate entry examinations for miners, temporary and permanent support standards, signalling devices and geological features.
Tau Lekoa retained its OHSAS 18001 and ISO 14001 certification.

Operating performance

Gold production declined by 13% to 3,852kg (124,000oz) in 2009. This was largely attributable to grade recovery which decreased to 3.32 g/t, a consequence of mining activities being focused towards the lower grade boundary.
Total cash costs rose by 36% to R191,184/kg ($718/oz). This was mainly attributable to the lower production as well as inflationary pressures on wages and consumables.
Capital expenditure for the year totalled R142m ($17m), primarily spent on Ore Reserve development with the balance on stay-in-business projects, such as dyke access, to stabilise and support development.

Outlook

Tau Lekoa is an asset held for sale. The AngloGold Ashanti one year forecast does not include an outlook for Tau Lekoa.

Vaal River Surface

Description

The resources of AngloGold Ashanti South Africa's surface operation include the waste rock dumps and tailings storage facilities.

Dedicated surface-source treatment plants together with spare capacity at the primary gold plants in the area are used to treat material from the waste rock dumps and tailings storage facilities. These dedicated surface plants are the Mispah Gold Plant, which treats material from the Great Noligwa waste rock dump, and the East Gold Acid & Float Plant which treats material from the sulphur pay dam.

As at 31 December 2009, surface Mineral Resource totalled 2.1Moz of gold and Ore Reserve 1.9Moz.

Key statistics

Surface operations		**2009**	**2008**	**2007**
Pay limit	(oz/t)	0.007	0.007	0.008
	(g/t)	0.225	0.206	0.245
Recovered grade	(oz/t)	0.015	0.011	0.014
	(g/t)	0.53	0.36	0.49
Gold production	(000oz)	164	92	125
Total cash costs	($/oz)	341	440	305
Total production costs	($/oz)	355	469	333

Capital expenditure
($m)
3
1
1
Total number of employees
234
234
222
Employees
228
227
211
Contractors
6
7
11
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
62
125
07
08
09
Gold production (000oz)
92
164
305
07
08
09
Total cash cost ($/oz)
440
341
1
07
08
09
Capital expenditure ($m)
1
3
222
07
08
09
Total number of employees*
234
234
* Including contractors

Safety

The LTIFR increased during the year from 1.18 per million hours worked in 2008 to 1.73 in 2009. OHSAS 18001 and ISO 14001 re-certifications were obtained during 2009.

A total of 307 "white flag days" was achieved during 2009. A white flag day signifies an injury-free, 24-hour period on an individual operation. Six plants achieved more that 200 consecutive white flag days. Ten plants have currently achieved more than the benchmark of 31 consecutive white flag days.

The principles of the "*It's OK to Stop*'' working in a workplace considered unsafe were communicated to all employees of the division during the year. Work was stopped 34 times.

Operating performance

Gold production increased by 78% to 5,092kg (164,000oz). Reduced reef deliveries from the mines, as well as the decision to operate the plant over public holidays, resulted in greater volumes of waste rock being treated.

Total cash costs decreased by 23% to R89,867/kg ($341/oz), mainly a result of the increased production. This was partially offset by inflationary pressures on labour, consumables and power.

Capital expenditure for the year at the surface operations totalled R21m ($3m), spent mostly on stay-in-business projects.

Outlook

Production at surface sources is projected to be between 4,541kg (146,000oz) and 4,852kg (156,000oz) at a total cash cost of between $524/oz and $540/oz.

Capital expenditure of R33m ($4m) is expected to be spent mainly on stay-in-business projects.

587
07
08
09
Gold production
(000oz)
600
520
264
07
08
09
Total cash cost
($/oz)
249
329
86
07
08
09
Capital expenditure
($m)
86
109
5,561
07
08
09
Total number of employees*
5,685
6,029
* Including contractors

West Wits

The Mponeng, Savuka and TauTona mines are situated on the West Wits Line, near the town of Merafong (formerly Carletonville), straddling the border of Gauteng and North West Province. Mponeng has its own gold processing plant, while
the Savuka and TauTona operations share a plant.

Together the West Wits operations produced 23,883kg (768,000oz) of gold, equivalent to 42% of the Southern Africa region's
production and 17% of group production.

Mponeng

Description

Mponeng is situated between the towns of Merafong and Fochville on the border between Gauteng and North West Province,
southwest of Johannesburg. The mine exploits the Ventersdorp Contact Reef (VCR) at depths varying between 2,400m and
3,600m below surface, where a sequential grid mining method is employed. Access to the reef is from the main haulage and
return airway development, with cross-cuts developed every 212m to the reef horizon. Raises are then developed on-reef to
the level immediately above and the reef is stoped-out on strike.

The Mponeng lease area is constrained to the north by the TauTona and Savuka mines, to the east by Gold Fields Limited's Driefontein mine and to the west by Harmony Gold Mining Company Limited's Elandsrand mine. No mining takes place to the south.

Mponeng comprises a twin-shaft system housing two vertical shafts and two service shafts. Ore is treated and smelted at the mine's gold plant which has a monthly capacity of 160,000t. The plant uses two semi-autogenous (SAG) mills to process the ore and the gold is extracted by means of carbon-in-pulp (CIP) technology.

Key statistics

Mponeng

2009

2008

2007

Pay limit
(oz/t)
0.25
0.22
0.23
(g/t)
8.53
7.61
7.83
Recovered grade
(oz/t)
0.253
0.292
0.277
(g/t)
8.66
10.02
9.50
Gold production
(000oz)
520
600
587
Total cash costs
($/oz)
329
249
264
Total production costs
($/oz)
399
323
348
Capital expenditure
($m)
109
86

86
Total number of employees
6,029
5,685
5,561
Employees
5,926
5,482
5,126
Contractors
103
203
435
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
64

Safety

There were three fatalities at Mponeng during the year (2008: 2), one caused by a locomotive accident, the second by a fall of ground and the third a snatch-block incident. The FIFR for the year was 0.20 per million hours worked (2008: 0.14) and the LTIFR 11.44 (2008: 11.44).

The mine embarked on a number of parallel safety initiatives in 2009, including *"Goldsafe days"*; team-based processes; mass open-air meetings; monthly miner, artisan, team leader and safety representative meetings; and the ongoing reinforcement of the "*It's OK to Stop"* principle to all employees.

Mponeng was closed twice after the issue of Section 54 directives by the DMR. In both cases, the mine was re-opened after three days following close consultation between management and the DMR.

Occupational health and safety assessments for OHSAS 18001 certification were conducted in January and July 2009, with Mponeng retaining accreditation on both occasions.

Operating performance

Mponeng's gold production decreased by 13% to 16,159kg (520,000oz) in 2009. A 14% decline in grade contributed to the lower output and resulted from the variability of VCR grade, changes to the mining mix and a 4% reduction in face length.

Total cash costs rose by 33% to R86,928/kg ($329/oz) as a result of lower gold production and the impact of inflation on power, labour, support and stores. In addition, Mponeng utilised excess labour from Savuka for backlog equipping, following the seismic incident during May 2009.

Total capital expenditure for the year totalled R912m ($109m) and was primarily spent on the VCR below 120 project R502m ($60m). In addition, capital of R299m ($36m) was spent on Ore Reserve development and R111m ($13m) on stay-in-business activities.

Growth projects

Carbon Leader Reef Project below 120: This project involves accessing the Carbon Leader Reef (CLR) about 900m below the VCR which is currently being mined. It will also access the VCR below the current infrastructure on levels 126 to 141.

Further work on this project is ongoing and was not presented for formal approval to the board in July 2009 as previously reported, as additional geological drilling was required to upgrade the resource.

The estimated capital expenditure for this project has increased to R17bn and production forecasts increased to around 14Moz of gold with the inclusion of the VCR area below 126 level into this project. The project is to be presented to the board for approval in November 2010 and if approved, development could begin in June 2011.

Ventersdorp Contact Reef (VCR) below 120 Project: Development is ahead of schedule and in line with the project plan.

Ongoing progress on this project resulted in Mponeng becoming the deepest mine in the world in January 2009. The estimated completion date for the project is 2013 with full production planned for 2015. The project is anticipated to recover

2.87Moz of gold at a cost of R2.03bn ($250m).

Outlook

Production at Mponeng is forecast to be between 16,081kg (517,000oz) and 16,734kg (538,000oz) at a total cash cost of
between $400/oz and $413/oz.

Capital expenditure in 2010 is estimated at R864m ($112m), with R440m ($57m) designated for growth, including the VCR
Below 120 project, and the balance for stay-in-business and Ore Reserve development activities.

Savuka

Description

Savuka is situated on the West Wits line in the province of Gauteng, approximately 70km southwest of Johannesburg, and
lies close to the town of Merafong in North West Province. This operation currently extracts both the Carbon Leader Reef
(CLR) at between 3,137m and 3,457m below surface and the Ventersdorp Contact Reef (VCR) at 1,808m below surface.
The Savuka lease area is constrained to the north and northwest by DRDGOLD Limited's Blyvooruitzicht Mine, to the east by
TauTona, to the west by Harmony's Elandsrand mine and to the south by Mponeng.

Key statistics

Savuka		2009	2008	2007
Pay limit	(oz/t)	0.78	0.43	0.40
	(g/t)	26.74	14.91	13.72
Recovered grade	(oz/t)	0.159	0.183	0.195
	(g/t)	5.45	6.28	6.69
Gold production	(000oz)	30	66	73
Total cash costs	($/oz)	1,115	411	403
Total production costs	($/oz)	1,387	518	476
Capital expenditure	($m)			

13
11
9
Total number of employees
1,054
1,224
1,143
Employees
1,019
1,179
1,063
Contractors
35
45
80
Safety
There was one fatality during the year as a result of seismic activity (2008: 1). The FIFR increased year-on-year to 0.40 per
million hours worked (2008: 0.33), while there was an encouraging improvement in the LTIFR to 7.62 per million hours worked
in 2009 (2008: 15.20).
Following the fatal accident, the mine received one Section 54 directive which was lifted three days later.
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
66
73
07
08
09
Gold production (000oz)
66
30
403
07
08
09
Total cash cost ($/oz)
411
1,115
9
07
08
09
Capital expenditure ($m)
11
13
1,143
07
08
09

Total number of employees*
1,224
1,054
* Including contractors

The mine continued with the implementation of the parallel safety initiatives which commenced in 2008, including *"Goldsafe"* days; team-based processes; mass open air meetings; and monthly miner, artisan, team leader and safety representative meetings. Savuka also participated in the successful rollout of the "*It's OK to Stop"* campaign. In addition, various internal safety audits were conducted to enable management to address and mitigate the risks identified in the process.
OHSAS 18001 assessments were conducted in January and July 2009, with Savuka retaining its certification on both occasions.

Operating performance

Savuka's operations for the year were severely hampered by a seismic event in May 2009 which resulted in production being suspended for the remainder of the year. As a consequence, gold output declined by 55% to 924kg (30,000oz) in 2009.
Total cash costs rose by 177% to R295,800/kg ($1,115/oz), due primarily to the decrease in production and repairs to damaged underground infrastructure. An insurance claim, which includes normal business interruption and material damage, has been lodged and is expected to be processed in 2010. Savuka produced 432kg (14,000oz) at a total cash cost of R143,876/kg ($452/oz) during the first quarter of 2009, the last quarter of full production before the seismic event occurred.
Capital expenditure increased by 20% to R107m ($13m), with R61m ($7m) allocated to stay-in-business expenditure, including the seismic incident-related expenses of R35m ($4m) and R46m ($6m) to Ore Reserve development.

Growth projects

Once access to the CLR horizon has been re-established in the second quarter of 2010, exploration and drilling programmes will continue to determine the extent and accessibility of the extensive resource to the west of current mining activities and to identify potential mining prospects.

Outlook

Following the seismic incident, it is anticipated that normal production will resume by May 2010. While rehabilitation work is progressing according to plan, production and costs will continue to be affected for a large part of 2010. However, whilst production is expected to start increasing from the fourth quarter of 2010, the operation is expected to return to normal throughput levels in 2011.
Production at Savuka is forecast to be between 1,058kg (34,000oz) and 1,120kg (36,000oz) at a total cash cost of between $1,190/oz and $1,227/oz in 2010. Capital expenditure of R97m ($13m) is planned for Ore Reserve development and continuing rehabilitation.

TauTona

Description

TauTona lies on the West Wits line, just south of Merafong in North West Province and about 70km southwest of Johannesburg. Mining at TauTona takes place at depths ranging from 1,850m to 3,450m. The mine has a three-shaft system and is in the process of converting from longwall mining to scattered grid mining. TauTona consists of a main shaft system supported by secondary and tertiary shafts.

TauTona shares a processing plant with Savuka, which currently has a modularised monthly capacity of 180,000t. The plant uses conventional milling to crush the ore and a CIP plant to treat the ore. Once the carbon has been removed from the ore it is transported to the gold plant at Mponeng for elution electro-winning, smelting and the final recovery of the gold.

Key statistics

TauTona		**2009**	**2008**	**2007**
Pay limit	(oz/t)	0.74	0.44	0.40
	(g/t)	25.33	15.05	16.11
Recovered grade*	(oz/t)	0.213	0.253	0.282
	(g/t)	7.29	8.66	9.67
Gold production	(000oz)	218	314	409
Total cash costs	($/oz)	559	374	317
Total production costs	($/oz)	797	509	464

Capital expenditure
($m)
57
60
71
Total number of employees
4,293
4,623
4,992
Employees
3,842
3,849
4,160
Contractors
451
774
832
** Underground operations*
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
68
409
07
08
09
Gold production (000oz)
314
218
317
07
08
09
Total cash cost ($/oz)
374
559
71
07
08
09
Capital expenditure ($m)
60
57
4,992
07
08
09
Total number of employees*
4,623
4,293
* Including contractors

Safety
One fatality occurred at TauTona during the year (2008: 4), which was the result of a shaft accident. The FIFR per million hours
worked decreased to 0.10 from 0.35 in 2008, while the LTIFR per million hours worked improved to 13.04 from 13.46 in 2008.
TauTona has implemented measures such as the "*5-TEEN*" campaign and adopted the Mining Industry Occupational Safety
and Health (MOSH) system to enhance safety performance at the mine. Operationally, the mine upgraded infrastructure and
changed from longwall mining to sequential grid mining to address safety considerations.
The mine continued with the implementation of the parallel safety initiatives begun in 2008, including, among others, the
ongoing rollout of the *"It's OK to Stop"* principle to all employees, the *"White Flag Day"* drive, the "*Laduma for Safety"*
campaign and wellness days. During October, management completed a full risk assessment of the entire shaft system and
emergency escape routes to neighbouring Mponeng and Savuka mines. All escape routes were declared safe and found to
be in order. Emergency escape and refuge bay procedures were updated.
TauTona has demonstrated continued improvements regarding OHSAS 18001 and maintained its certification following audits
conducted in January and September 2009.
TauTona also achieved one year free of fatalities caused by falls of ground and was the winner of the AngloGold Ashanti
fall-of-ground competition.
Operating performance
Production at TauTona for 2009 was affected largely by closure of the shaft due to a risk assessment of the entire shaft system
and emergency escape routes in October 2009. This resulted in the cessation of production activities until January 2010 while
underground infrastructure was inspected and repaired where necessary. As a consequence, gold production declined by
30% to 6,800kg (218,000oz) compared with 9,769kg (314,000oz) in 2008. In addition, the decision to stop mining the Carbon
Leader Reef shaft pillar before its scheduled conclusion and the suspension of mining at two longwalls, owing to the geological
nature of the area, contributed further to the decline.
Total cash costs increased to R147,668/kg ($559/oz) from R97,483/kg ($374/oz) in 2008 as a result of reduced production
and inflationary pressures on wages, power and consumable costs.
Capital expenditure for the year was R479m ($57m). Of this, R336m ($40m) was spent on Ore Reserve development and
R143m ($17m) on stay-in-business activities which included shaft rehabilitation expenditure.
Growth prospects
CLR Below 120 level project: The project scope has been revised and now entails the development of a single decline to
123 level to access 250,000oz of gold. If approved by the board in November 2010, development will commence in 2011,

with first production in 2015. The total estimated capital expenditure for the revised project is R600m.

Outlook

Production in 2010 is projected to be between 8,460kg (272,000oz) and 8,833kg (284,000oz), with the mine expected to be back to full production by the second quarter of 2010. Total cash costs of between $627/oz and $647/oz are forecast.
Capital expenditure totalling R523m ($68m) is planned for 2010 and will be spent mainly on Ore Reserve development and stay-in-business projects.

Namibia

AngloGold Ashanti has one mining operation in Namibia, Navachab, which produced 65,000oz of gold in 2009, equivalent to 3% of the Southern Africa region’s production and 1% of group production.

For information on the regulatory environment and licence to operate in Namibia, refer to the section entitled *Regulatory environment enabling AngloGold Ashanti to mine* on page 142 of this report.

Navachab

Description

Navachab Gold Mine is situated near the town of Karibib, some 170km northwest of the capital Windhoek, and 171km inland on the southwest coast of Africa. Navachab, which began operations in 1989, is an open-pit mine with a processing plant which includes mills, carbon-in-pulp and electro-winning facilities, with a monthly capacity of 120,000t.

Key statistics

Navachab		**2009**	**2008**	**2007**
Pay limit	(oz/t)	0.05	0.04	0.04
	(g/t)	1.55	1.29	1.22
Recovered grade	(oz/t)	0.046	0.042	0.046
	(g/t)	1.58	1.43	1.56
Gold production	(000oz)	65	68	80
Total cash costs	($/oz)	622	534	419
Total production costs	($/oz)	663	601	

479
Capital expenditure
($m)
20
12
6
Total number of employees
578
482
409
Employees
578
482
409
Contractors
–
–
–
AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
70
80
07
08
09
Gold production (000oz)
68
65
Total cash cost ($/oz)
419
07
08
09
534
622
6
07
08
09
Capital expenditure ($m)
12
20
409
07
08
09
Total number of employees
482
578

Safety
Navachab experienced its first fatal accident since the start of operations when a drill-rig operator was fatally injured in a tramming accident on 2 June 2009. Contractor drilling operations were halted for a month to ensure all risk and safety aspects of the operation were thoroughly addressed. As a result of the review, drilling contractors will be required to use only rigs with enclosed cabs to prevent a reoccurrence of this incident. Two safety interventions involving the entire workforce were held during the year to ensure improved performance.
The FIFR for 2009 was 0.67 per million hours worked (2008: 0) with an LTIFR for the year of 2.02 (2008: 0).
OHSAS 18001 assessments were conducted in July and December 2009, with Navachab retaining its certification on both occasions.
Operating performance
Gold production at Navachab declined by 4% to 65,000oz in 2009. The decline in production was a result of the 14% decrease in tonnes treated, caused by harder footwall material.
Unit cash costs rose 16% to $622/oz as a result of higher labour, power costs and rising contractor fees. This was compounded by the decline in gold production.
Capital expenditure for the year totalled $20m, with $12m spent on construction of the dense media separation (DMS) plant and $2m on exploration. The balance was allocated to stay-in-business expenditure, including work on the filtration plant; upgrades of heavy mining equipment; the construction of new housing to accommodate half of the workforce; acquisition of two new drill rigs; a stand-by generator, and a storage area network information technology system.
Growth prospects
Construction of the DMS plant remained on schedule and the training of operators was completed. Commissioning of the plant is scheduled for the first quarter of 2010, and will result in improved production by increasing grade.
Long-lead items for the filtration plant were ordered in 2009 and construction of the new filtration plant will begin in 2010 to provide the second tailings storage facility (TSF) ahead of 2011, when the existing TSF is due to reach capacity. The filtration plant will ensure cost savings on detoxification chemicals and will allow for the additional recovery of water from the plant. The plant will also negate the inherent safety, health and environment risks associated with a TSF.
Optimisation work on the western pushback continues in order to maintain annual gold production of between 100,000oz to 120,000oz. Evaluation of a further expansion to add 700,000oz of gold to reserves is at the scoping stage. The exploration strategy has also been adjusted to optimise the sequence of mining.
Outlook
Gold production for 2010 is expected to increase to between 96,000oz and 100,000oz with total cash costs of between $600/oz and $628/oz. This significant increase in production of 48% will be mostly attributable to the improved grade at the DMS plant.

Capital expenditure of $18m is forecast for 2010, of which $3m relates to commissioning of the DMS plant, $2m for exploration and a further $13m to stay-in-business expenditure. The latter will be spent primarily on the filtration plant and heavy mining equipment.

Community and environment

ISO 14001 environmental certification was maintained during the year. Another important milestone for the operation was passed in November 2009, when Navachab achieved compliance with the Cyanide Code. Formal notification is awaited from the Code Secretariat.

AngloGold Ashanti Annual Financial Statements 2009
Review of operations
P
72

Continental Africa

AngloGold Ashanti has seven mining operations in its Continental Africa region:

- **Iduapriem and Obuasi in Ghana**
- **Siguiri in Guinea**
- **Morila, Sadiola and Yatela in Mali**
- **Geita in Tanzania**

Ghana
Iduapriem 190,000oz
Obuasi
381,000oz
N
Tanzania
Geita 272,000oz
Saudi
Arabia
Egypt
Gabon
Guinea
Siguiri
316,000oz (85%)