

ANGLOGOLD ASHANTI LTD

Form 6-K

March 31, 2011

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 31, 2011

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 REPORT 2010 PREPARED IN
ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS

Annual Financial Statements **2010**

pure
gold

Forward-looking statements

Certain statements contained in this document, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and production projects and completion of acquisitions and dispositions, AngloGold Ashanti's liquidity and capital resources and capital expenditure, and the outcome and consequence of any pending litigation proceedings, contain certain forward-looking statements regarding AngloGold Ashanti's operations, economic 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 operating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, and business and operational risk management. 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.

TT Mboweni

Chairman

TJ Motlatsi

Deputy Chairman

FB Arisman

Non-executive director

M Cutifani

Chief executive officer

R Gasant

Non-executive director

WA Nairn

Non-executive director

LW Nkuhlu

Non-executive director

F Ohene-Kena

Non-executive director

SM Pityana

Non-executive director

S Venkatakrishnan

Chief financial officer

AngloGold Ashanti board of directors

as at 31 December 2010

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AngloGold Ashanti Annual Financial Statements 2010

Vision, mission and values

Our

vision

Our

mission

to be the leading
mining company

To 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.

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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.

Our
values

These reports and documents communicate all relevant aspects of AngloGold Ashanti's operating, sustainability and financial performance for the 2010 financial year, from 1 January 2010 to 31 December 2010. Those to whom the company seeks to communicate include: shareholders; investors; employees and their representatives; the communities within which AngloGold Ashanti operates; and regional and national governments.

The Annual Financial Statements 2010 presents an extensive review of the year in both web-based and printed formats, and was prepared in accordance with: International Financial Reporting Standards (IFRS); the South African Companies Act, 61 of 1973 (as amended); and the Listings Requirements of the JSE Limited (JSE). In compiling the Annual Financial Statements 2010 and the Sustainability Report 2010, the guidelines on integrated reporting of the King

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AngloGold Ashanti Annual Financial Statements 2010 Scope of the report

Scope of the report

AngloGold Ashanti

best practice

in line with

global

reports

AngloGold Ashanti's suite of 2010 annual reports includes:

- Annual Financial Statements 2010
- Mineral Resource and Ore Reserve Report 2010
- Sustainability Report 2010
- Annual Review 2010

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Report on Governance for South Africa 2009 (King III) were taken into account. This report, which includes a separate Notice of Meeting, is submitted to the JSE in South Africa, as well as the stock exchanges in London, New York, Ghana, Australia, Paris and Brussels. It is also submitted 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 US, AngloGold Ashanti prepares an annual report on Form 20-F. The Form 20-F for the 2010 financial year must be filed with the SEC by no later than 30 June 2011.

In the Mineral Resource and Ore Reserve Report 2010, AngloGold Ashanti's Mineral Resources and Ore Reserves 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 Resources and Ore Reserves reported. The Annual Financial Statements 2010 contains a summary of the group's Mineral Resource and Ore Reserve as detailed in the Mineral Resource and Ore Reserve Report 2010. These Ore Reserves are used in the preparation of the annual financial statements in accordance with IFRS.

The Sustainability Report 2010, Sustainable Gold, provides an account of AngloGold Ashanti's sustainability performance in 2010. It covers six key focus areas for 2010:

- Improving operational safety performance;
- Managing health impacts that arise at our operations and in our communities;
- Operating with due respect for human rights;
- Delivering sustainable economic benefits, including to the communities which host our operations;
- Recognising and reporting explicitly on exploration and closure in the life cycle of our operations; and
- Conducting effective stewardship of the environment and of the natural resources that we use, primarily land, water and energy.

The report gives context and outlines the approach for each area. It also provides particulars of the work that has been undertaken in that area, targets that have been set and performance against these targets. Supplementary information on our website presents more detailed disclosure on performance against relevant Global Reporting Initiative (GRI)

indicators, the sustainable development framework of the International Council on Metals and Mining (ICMM) and the principles of the UN Global Compact (UNGC).

A separate summary report, the Annual Review 2010, which contains extracts of key information from the Annual Financial Statements 2010, the Sustainability Report 2010 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 and downloadable pdfs of these reports, will be distributed to all shareholders together with the Annual Review 2010.

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.
- "Statement of financial position" and "balance sheet" are used interchangeably in the narrative of this report.
- To familiarise yourself with the terminology used in this report, please refer to Non-GAAP disclosures and the Glossary of terms and Non-GAAP metrics.
- Locations on maps are for indication purposes only.

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AngloGold Ashanti Annual Financial Statements 2010

Corporate profile

Corporate profile

We truly cover the world

producer

A truly

global

gold

of

Headquartered in Johannesburg, South Africa, AngloGold Ashanti has 20 operations on four continents and several exploration programmes in both the established and new gold-producing regions of the world.

AngloGold Ashanti employed 62,046 people, including contractors, in 2010 and produced 4.52Moz of gold (2009: 4.60Moz), generating \$5.3bn in gold income (2009: \$3.8bn). Capital expenditure in 2010 amounted to \$1,015m (2009: \$1,027m). As at 31 December 2010, AngloGold Ashanti's Ore Reserve totalled 71.2Moz.

Focused on returns

AngloGold Ashanti endeavours to maximise the returns delivered to shareholders throughout the economic cycle, by producing gold safely, responsibly and efficiently.

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.

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 around existing operations. In October 2009, the group established a joint venture to explore for marine mineral deposits on the continental shelf. This complements AngloGold Ashanti's existing terrestrial exploration and mining activities.

Operations

In addition to the six 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. The Tau Lekoa mine in South Africa was sold during 2010. In addition to gold, valuable by-products – silver, sulphuric acid and uranium – are produced 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

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Q4 2010

Fatality-free
quarter

Index of AngloGold Ashanti share price on NYSE
Philadelphia Stock Exchange Gold & Silver Index

July 2008

Restructuring of hedge
book begins

20 May 2009

Issue of 3.5% convertible
bonds of \$732.5m, due 2014

29 June 2009

Sale of interest in
Boddington completed

31 July 2009

Hedge book reduced by 1.4Moz
to 3.9Moz, which is less
than one year's production

21 April 2010

\$1bn, four-year revolving
credit facility secured

14 September 2010

Launch of concurrent equity and
mandatory convertible subordinated
bond offerings

7 October 2010

Hedge book eliminated

7 July 2008

Rights offer raises \$1.7bn

6 May 2008

Announcement of significant
exploration results at La Colosa

21 November 2008

\$1bn syndicated loan with Standard
Chartered announced

-80

-60

-40

-20

0

20

40

60

Q2 08

Q3 08

Relative share price performance

(%)

Q4 08

Q1 09

Q2 09

Q3 09

Q4 09

Q1 10

Q2 10

Q3 10

Q4 10

purity of at least 99.5%, in accordance with the standards of 'good delivery' as determined by the 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 the demand for gold.

Built for purpose

Since launching its new business strategy at the end of March 2008, AngloGold Ashanti has significantly restructured its portfolio and rebuilt its balance sheet to create the operating and financial foundation to achieve production growth from 5.4Moz to 5.6Moz by 2014. Operating cash flow has increased markedly following the elimination of the hedge book, as well as the implementation of Project ONE, the business improvement intervention, and the higher gold price. AngloGold Ashanti has also continued to invest in its industry-leading exploration team to build on its unmatched record of new gold discoveries and to grow its world-class gold endowment. Longer-term debt has also been introduced into the balance sheet, thereby greatly enhancing the capacity to fund a significant project pipeline, while maintaining strict capital discipline and driving shareholder returns.

United States

52.60%

South Africa

22.54%

United Kingdom

11.73%

Ghana

2.95%

France

2.35%

Rest of Europe

2.56%

Rest of Americas

1.20%

Rest of the world

4.07%

Geographic distribution of shareholders
as at 31 December 2010

United States

Cripple Creek & Victor 233,000oz

Colombia

La Colosa

Gramalote

Brazil

Serra Grande

77,000oz

AGA Mineração

338,000oz

Operations

Projects

Argentina

Cerro Vanguardia

194,000oz

Location of AngloGold Ashanti operations and major greenfield projects

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AngloGold Ashanti Annual Financial Statements 2010

Corporate profile

Corporate profile

We truly cover the world

gold

Our primary

focus

is

Mali

Morila

95,000oz

Sadiola

118,000oz

Yatela

60,000oz

Guinea

Siguiri

273,000oz

Ghana

Iduapriem

185,000oz

Obuasi

317,000oz

DRC

Mongbwalu

Kibali

Namibia

Navachab

86,000oz

Tanzania

Geita

357,000oz

Australia

Sunrise Dam

396,000oz

Tropicana

South Africa

Vaal River

Great Noligwa

132,000oz

Kopanang

305,000oz

Moab Khotsong

292,000oz

Tau Lekoa

63,000oz

Surface operations

179,000oz

West Wits

Mponeng

532,000oz

Savuka

22,000oz

TauTona

259,000oz

(1)

(1)

Sold effective 1 August 2010

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AngloGold Ashanti Annual Financial Statements 2010

Strategy

AngloGold Ashanti's business strategy is reviewed regularly to determine progress in its implementation against the backdrop of a dynamic operating and regulatory environment. These evaluations allow for tactical adjustments necessary to achieve the ultimate goal of becoming "the leading mining company".

AngloGold Ashanti has defined its strategic focus in five parts:

- Recognise that "People are the business" – organisational development is a strategic value driver for the group;
- Maximise margins – manage both revenue and costs to ensure delivery and protection of returns throughout the economic cycle;
- Manage the business as an asset portfolio – use capital deployment optimisation approaches to support delivery of return targets;
- Grow the business – have a definite strategy for both organic growth and growth by acquisition and be opportunistic in seeking value accretive targets; and
- Embrace sustainability principles – understand and focus on creating value for both business and social partners to manage risk and opportunity.

The key components of each of the strategy points are as follows:

People are the business

AngloGold Ashanti recognises that "People are the business" and through its:

- Mission, defines a clear view of the organisation;
- Vision, reflects a clear and consistent view of the organisation's future;
- Values, recognises that the process used to achieve results is as important as the results themselves;
- Business Process Framework, defines the policy, standards and operating framework necessary to establish a flexible and responsive work model within which people have the opportunity to be creative and realise their potential; and
- Organisational model, ensures that the right person, does the right work, in the right way and at the right time.

Maximise margins

AngloGold Ashanti seeks to ensure sustainable value and maximise returns by:

- Managing revenues to ensure that full value is realised from its products by:
 - managing product sales to realise premiums for the delivery of a superior quality product and by exploring other value adding initiatives;
 - delivering products of a consistent quality, on time; and
 - offering exposure to spot prices.

- Managing costs to protect margins and returns on capital employed by:

- applying resource development strategies to maintain operating margins over the life cycle of the assets;

- protecting critical margins where appropriate;

• **maintaining** costs below the industry's mean in order to minimise risks to cash flow and returns in a volatile price environment; and

- Optimising capital deployment by investing only in assets and growth opportunities which offer superior returns.

Strategy

Striving to be the

leading

mining

company

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Manage the business

Meeting commitments is a critical objective and includes:

- ensuring safe work practices and a healthy workforce;
- generating returns on capital of more than 15% through the cycle;
- meeting production and cost targets;
- managing costs to maximise margins and return on capital employed over the life cycle of all operations and projects;
- maximising revenues; and
- implementing Project ONE (refer page 46) to standardise all operating procedures and achieve key five-year goals. The five-year goals agreed in 2008 were:
 - a 70% reduction in accident rates;
 - a 30% improvement in overall productivity (in terms of ounces of gold produced per employee);
 - a 60% reduction in reportable environmental incidents;
 - a 20% increase in gold production;
 - a 25% reduction in real IFRS total cash costs per ounce; and
 - to deliver an average return on capital of above 15%.

Given the progress achieved to date, the board reviewed and amended the following key five-year goals in late 2010 for the period 2011-2015 as follows:

- Safety – an all injury frequency rate of less than 9 per million hours worked by 2015;
- Productivity – 20% improvement in oz/TEC by 2015;
- Environment – 30% reduction in reportable incidents by 2015;
- Production (attributable ounces produced) – between 5.4Moz and 5.6Moz, an improvement of 20% on base;
- Total cash cost per ounce – a 20% improvement in real unit costs by 2015 (adjusted for mining inflation); and
- Return on shareholders' equity (%) – 15% through the cycle to 2015.

Manage the business as an asset portfolio

AngloGold Ashanti regularly reviews and ranks each asset and project as part of its annual business planning process. This ranking is both absolute and relative to its peer group, with the aim of:

- ensuring that individual assets and projects meet or exceed specified risk-adjusted rates of return;
- identifying the strengths and weaknesses of the portfolio, with particular focus on portfolio risk;
- implementing strategies to identify optimal orebody capability;
- applying methods and design to ensure optimal operating performance;

- ensuring the application of detailed planning and scheduling, together with the use of best-practice operating methods associated with each asset;
- optimising returns from existing assets and growth opportunities; and
- selling those assets that no longer meet the company's criteria at attractive valuations.

Grow the business

AngloGold Ashanti seeks to further enhance shareholder value through:

- Exploration – leveraging its asset portfolio and landholdings through greenfield and brownfield exploration and development while targeting new opportunities;
- Brownfield development – the development portfolio comprises board approved projects including: the Tropicana gold project in Australia; the Córrego do Sítio and Lamego projects in Brazil; the Mine Life Extension project at Cripple Creek & Victor in the United States; the Ventersdorp Contact Reef project at the Mponeng mine in South Africa; and others undergoing feasibility studies in Argentina, Brazil,

- Colombia, the Democratic Republic of the Congo, Mali, Namibia, South Africa and the United States;
- New projects – by promoting organic growth and leveraging current positions;
 - Mergers and acquisitions – by selectively pursuing value accretive merger and acquisition opportunities; and
 - Logical incrementalism – by maximising the value of other commodities within an existing and developing asset portfolio.

Embrace sustainability principles

AngloGold Ashanti seeks to embrace sustainability principles to create business and social partnerships based on mutual value creation. This approach includes:

- Safety and health – ensuring that commitment to the welfare of people remains the company's most important value;
- Environment – by managing the impact on the environment, meeting commitments made to host communities and ensuring AngloGold Ashanti is the preferred development partner for mining projects;
- Community relations – establishing relationships and developing strategies that support the creation of unique value for various community partners;
- Institutional relations – working through the respective government and other local institutions, while respecting the values and traditions of each jurisdiction; and
- Political relationships – managing relationships in a manner consistent with the company's values.

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AngloGold Ashanti Annual Financial Statements 2010

Group overview 2010

Key features 2010

- All injury frequency rate (AIFR) improved by 11% to 11.50 per million hours worked;
- Record adjusted headline earnings (excluding the impact of accelerated hedge buy-backs) of \$787m, a result of improved margins due to higher received prices;
- Production of 4.52Moz at a total cash cost of \$638/oz, within exchange-rate adjusted guidance;
- Geita, Cripple Creek & Victor and South Africa turnarounds successfully executed;
- Complete elimination of the hedge book, thus providing full exposure to the prevailing gold spot price;
- Securing AngloGold Ashanti's international investment grade credit ratings;

- Introduction of long-term tenor to the statement of financial position with the issue of two rated bonds maturing in 10 and 30 years and mandatory convertible bonds due in 2013; and
- A full year dividend of 145 South African cents per share (approximately 20 US cents per share), 12% higher than the previous year of 130 South African cents (17 US cents per share).

Group overview 2010

06

07

08

Gold production

(000oz)

09

10

5,477

4,982

5,635

4,599

4,515

06

07

08

Cash flow from operating activities*

(\$m)

09

10

866

584

1,106

1,299

1,669

* *Excludes hedge buy-back costs*

4,515 000oz

\$1,669 m

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06

07

08

All injury frequency rate
(per million hours worked)

20.95

16.66

22.83

09

10

12.88

11.50

06

07

08

Market capitalisation

(\$bn)

09

10

11.9

9.8

13.2

14.6

18.8

\$18.8

bn

11.50

Group overview 2010 – key data

2010

2009

% change

Gold produced

(000oz)

4,515

4,599

(2)

Average gold spot price

(\$/oz)

1,227

974

26

Average received gold price

(\$/oz)

561

751

(25)

Average received gold price excluding hedge buy-back costs

(1)

(\$/oz)

1,159
 925
 25
 Total cash costs
 (\$/oz)
 638
 514
 24
 Total production costs
 (\$/oz)
 816
 646
 26
 Ore Reserve
 (2)
 (Moz)
 71
 71
 1
 Revenue
 (\$m)
 5,514
 3,916
 41
 Gold income
 (\$m)
 5,334
 3,768
 42
 Adjusted headline loss
 (3)
 (\$m)
 (1,758)
 (50)
 3,416
 Adjusted headline earnings excluding hedge buy-back costs
 (4)
 (\$m)
 787
 708
 11
 Adjusted headline earnings excluding hedge buy-back costs
 (US cents/share)
 212
 196
 8
 Dividends per ordinary share
 (SA cents/share)
 145
 130
 12

Average exchange rate

(R/\$)

7.30

8.39

(13)

Exchange rate at year-end

(R/\$)

6.57

7.44

(12)

Share price at year-end:

JSE

(R/share)

326.90

306.29

7

NYSE

(\$/share)

49.23

40.18

23

Market capitalisation at year-end

(\$m)

18,767

14,555

29

Note:

(1)

Average received gold price during 2010 excluding the effects of hedge buy-back costs at \$1,159/oz is 25% higher than 2009, 5.5% discount to the spot gold price and better than the guidance of 8% to 10%.

(2)

After adjusting for the Tau Leko sale, Ore Reserve increased by 1% from 70.6Moz to 71.2Moz.

(3)

Headline loss adjusted for unrealised non-hedge derivatives, fair value adjustments on the option component of the convertible and mandatory convertible bonds, adjustments to other commodity contracts and deferred tax thereon. Refer to Non-GAAP disclosure note 1 on page 372.

(4)

Refer to Non-GAAP disclosure note 1 on page 372.

per million

hours worked

It is my pleasure and privilege to address to you my first chairman's statement since taking office during 2010.

When I was approached for discussion about the position, there were two matters about which I felt I had to satisfy myself. The first one was that I wanted to see the company showing, practically, that they were serious about curbing injuries and deaths in mine accidents. The second was their intention in relation to the closing out of the hedge book.

On the first, I was very pleased to be assured that, led by Mark Cutifani, the executives at AngloGold Ashanti work very hard at ensuring that safety is indeed our first priority. The improvement in the fatal accident rate of close to 70% since 2007, is evidence of these efforts. Yet we are aware that the rate of improvement has slowed somewhat in recent years, and we look forward to the next step change on the way to achieving our goal of making employee fatalities a thing of the past.

I would like to convey my and the company's condolences to the families and friends of the fifteen employees who died in mining accidents during the course of 2010, and give my assurances to them, and to all employees and their loved ones, that safety is a priority that will remain in place.

On the matter of the hedge book, the wish became reality within just a few months. During October, we were able to announce the achievement of that goal, opening up to shareholders the benefits of full exposure to the spot gold price. That occurred shortly after two leading credit rating agencies affirmed the company's international investment grade credit ratings.

The unhedged position and strong balance sheet leave the company extremely well placed to pursue our substantial project pipeline, assisted further by a gold price that appears likely, at the very least, to sustain itself within the range experienced in the year under review.

Continuing uncertainty about the prospects for economic recovery in the US, Europe and Japan, and the fiscal measures implemented to mitigate the economic difficulties, have underpinned the role of gold as an investment commodity, and hence the gold price rise of the past two years or so.

Notwithstanding the higher gold price, fabrication demand for gold grew by 13.4% in 2010, though admittedly off a relatively low base. Most of the growth was thanks to increased demand for gold jewellery in India and, to a lesser extent, China. In both markets AngloGold Ashanti expends much energy in gold marketing activities.

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AngloGold Ashanti Annual Financial Statements 2010

Chairman's statement

Podcast available at www.aga-reports.com/10/podcasts.htm

Tito Mboweni discusses his thoughts on the way forward for AngloGold Ashanti

Chairman's statement
A company with
to excellence
committed
vision,

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However, it is not the bullish gold market that distinguishes this company. What has encouraged me the most in my short time on the board of AngloGold Ashanti is the company's vision and commitment to excellence. The elimination of the 11.3Moz gold hedge since 2008, during a period of unprecedented international economic and financial distress, is, in my view, but one illustration of these attributes.

Equally illuminating are the methodical efforts incorporated in Project ONE to enhance efficiencies at our operations and throughout the business. Particularly pleasing is the turnaround at the Geita Gold Mine in Tanzania, while notable progress has also been made at the Mponeng Plant in South Africa and the South American operations.

It is important to emphasise the holistic nature of Project ONE. In addition to operating efficiencies, it incorporates a range of targets related to both our people and sustainability issues, such as safety and environmental management, all of which are key components of AngloGold Ashanti's strategic drive.

As a mining company committed to responsible corporate citizenship, operating around the world is becoming increasingly complex. From government attempts to impose punitive taxes in Australia to the instability prior to the welcome advent of democracy in Guinea, AngloGold Ashanti has been challenged to play a responsible role.

The value of high-quality social dialogue is best illustrated in South Africa, where the Mining Charter was reviewed during the course of the year and a new version published in September. This compact between government, business and labour seeks to set out processes and targets aimed at gradually eliminating the country's and the industry's apartheid legacy without damaging the industry's competitiveness. We are of the view that the outcome effectively achieved these dual goals.

As was the case with the initial 2004 charter, AngloGold Ashanti again played an important role in this achievement through our CEO Mark Cutifani's senior leadership position in the South African Chamber of Mines.

As a mining company, we have an obligation to the societies in which we operate to ensure, as our values state, that they are better off for our having been there. Naturally mining, as with all economic activity, will have an impact on the social and physical environment. Not all of that will be immediately