For personal use only

AngloGold Ashanti Limited
(Incorporated in the Republic of South Africa)
Reg. No. 1944/017354/06
ISIN: ZAE000043485 – JSE share code: ANG
CUSIP: 035128206 – NYSE share code: AU
("AngloGold Ashanti", "AGA" or the "Company")

NEWS RELEASE

AngloGold Ashanti Cuts Adjusted Net Debt by 41%, Advances Reinvestment Projects

(JOHANNESBURG) – NEWS RELEASE – AngloGold Ashanti delivered first-half headline earnings of $363m amid a challenging first half of the year, with performance affected by the ongoing COVID-19 pandemic, increased costs, lower realised grades across certain operations and the voluntary suspension of underground mining activities at the Obuasi Mine following a fatal accident on 18 May 2021.

Headline earnings of $363m, or 87 US cents per share, in the first six months of 2021, compared to $404m, or 97 US cents per share, in the first half of 2020. Adjusted net debt declined by 41% year-on-year to $850m at 30 June 2021, from $1.431bn at 30 June 2020. The Company has declared a dividend of 87 ZAR cents per share (approximately 6 US cents per share) for the six months ended 30 June 2021.

Production for the first six months of 2021 was 1.200Moz at a total cash cost of $1,003/oz, compared to 1.323Moz at $770/oz from continuing operations for the first six months of 2020. All-in sustaining costs (AISC) were $1,333/oz for the first six months of 2021, compared to $1,002/oz from continuing operations for the corresponding period last year, mainly reflecting higher cash costs, higher sustaining capital expenditure in line with the tailings compliance programme and the planned reinvestment objectives in the portfolio, COVID-19 impacts, stockpile movements and lower gold sold. Production for the half year was impacted by an estimated 42,000oz due to COVID-19.

"AngloGold Ashanti remains focused on its strategy to create long-term value, whilst maintaining a strong balance sheet and mitigating any financial or operating risks to the business.," Interim Chief Executive Officer, Christine Ramon, said. "Our reinvestment projects remain on track to improve operating flexibility and access to higher grades. We are also pursuing operating and capital efficiencies over the remainder of the year."

Authorised for release to the ASX by Lucy Mokoka – Group Company Secretary.

AngloGold Ashanti's strategy of improving operating flexibility through investment in Ore Reserve development and Ore Reserve expansion at sites with high geological potential remains a key priority and is reflected by the 33% year-on-year increase in total capital expenditure to $461m (including equity accounted joint ventures) in the first half of 2021, compared to $346m from continuing operations in the first half of 2020.

This year and next remain transitional ones for the Company, with the higher volumes of waste stripping and underground development accompanied by lower grades and the movements of stockpiles. The Company expects the mining of lower grades and stockpile utilisation to be transitory in nature as the reinvestment programme provides improved flexibility and access to higher-grades, and as vaccination drives progress across our jurisdictions most affected by COVID-19. Notwithstanding significant pressure on costs related to the tailing storage facilities (TSF) transition in Brazil, this investment is also transitory given the upcoming legal deadline.

Mining activities at Obuasi will remain suspended pending the conclusion of a third-party review of the mining and ground management plans.

On 1 September 2021, Mr. Alberto Calderon will assume the role of Chief Executive Officer of the Company and Ms. Christine Ramon will return to her role as the Company's Chief Financial Officer.

FINANCIAL PERFORMANCE

For the first half of 2021, the Company recorded a free cash outflow of $25m, compared to an inflow of $177m (which included cash flow from the discontinued South African assets of $35m) in the same period last year. Free cash flow was impacted by lower gold sold, higher costs, and higher taxes paid.

At the end of June 2021, the Company's attributable share of the outstanding cash balances awaiting repatriation from the Democratic Republic of Congo (DRC) was $485m.

Free cash flow was further impacted by continued lock-ups of value added tax (VAT) at Geita and Kibali and export duties at Cerro Vanguardia. In Tanzania, the Company calculates that net overdue recoverable VAT input credit refunds owed to it by the Tanzanian government increased by $5m during the first half of 2021 to $144m at 30 June 2021 from $139m at 31 December 2020 despite off-setting $22m against corporate tax payments in June 2021. In the DRC, the Company calculates that its attributable share of the net recoverable VAT balance owed to it by the DRC government increased by $5m during the first half of 2021 to $74m at 30 June 2021 from $69m at 31 December 2020.

Adjusted earnings before interest, tax, depreciation, and amortisation (Adjusted EBITDA) decreased by 15% to $876m in the first half of 2021, from $1,035m in the first half of 2020. Basic earnings (profit attributable to equity shareholders) for the six-month period ended 30 June 2021 were $362m, or 86 US cents per share, compared to $382m, or 91 US cents per share, in the first half of 2020.

For personal use only

For personal use only

SECOND-QUARTER PERFORMANCE

Production for the second quarter of 2021 was 613,000oz at a total cash cost of $1,006/oz, compared to 693,000oz at a total cash cost of $767/oz from continuing operations for the second quarter of 2020. AISC was $1,380/oz for the second quarter of 2021, compared to $985/oz from continuing operations for the second quarter of 2020.The Company generated $67m in free cash flow during the second quarter of 2021 compared to an outflow of $92m in the first quarter of 2021.

BALANCE SHEET

The balance sheet remains in a solid position, with debt falling and ample liquidity of approximately $2.5bn. The ratio of Adjusted net debt to Adjusted EBITDA improved to 0.37 times at 30 June 2021 from 0.73 times at 30 June 2020. The Company remains committed to maintaining a flexible balance sheet with an Adjusted net debt to Adjusted EBITDA target ratio not exceeding 1.0 times through the cycle.

SAFETY PERFORMANCE

It is with great sadness that we report two fatalities in the first half of 2021. In February 2021, an employee at the Serra Grande mine in Brazil was fatally injured in a fall-of-ground related incident during blasting preparation activities and in May 2021 an employee at the Obuasi mine in Ghana was fatally injured in an underground sill pillar failure incident. AngloGold Ashanti remains strongly committed to improving safety across its global portfolio and is focused on the execution of its safe production strategy.

REVISED GUIDANCE (*)

Group annual guidance for 2021 has been revised as follows: 2.45Moz to 2.60Moz of production at a total cash cost of $890/oz to $950/oz, AISC of $1,240/oz to $1,340/oz and capital expenditure of $1,030m to $1,190m. Production has been revised to mainly remove the contribution of Obuasi for the second half of 2021.

Economic assumptions for 2021 are as follows: $/A$0.76, BRL5.29/$, AP96.00/$, ZAR14.55/$; and Brent $71/bbl.

(*) Production, cost and capital expenditure forecasts include existing assets as well as the Quebradona and Gramalote projects that remain subject to approval, Mineral Resource conversion and high confidence inventory. Cost and capital forecast ranges are expressed in nominal terms. In addition, production, cost and capital expenditure estimates assume neither operational or labour interruptions (including any further delays in the ramp-up of the Obuasi redevelopment project), or power disruptions, nor further changes to asset portfolio and/or operating mines and have not been reviewed by our external auditors. Other unknown or unpredictable factors could also have material adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold Ashanti will prove to have been correct. Measures taken at our operations together with our business continuity plans aim to enable our operations to deliver in line with our production targets. We, however, remain mindful that the COVID-19 pandemic, its impacts on communities and economies, and the actions authorities may take in response to it, are largely unpredictable. Actual results could differ from revised guidance and any deviation may be significant. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2020 filed with the United States Securities and Exchange Commission (SEC).

ENDS

Johannesburg
6 August 2021

For personal use only

Contacts

Media

Chris Nthite	+27 83 301 2481	cnthite@anglogoldashanti.com
Julie Bain	+27 663 640 038	jbain@anglogoldashanti.com
General inquiries		media@anglogoldashanti.com

Investors

Sabrina Brockman	+1 646 880 4526/ +1 646 379 2555	sbrockman@anglogoldashanti.com
Yatish Chowthee	+27 11 637 6273 / +27 78 364 2080	yrchowthee@anglogoldashanti.com
Fundisa Mgidi	+27 11 637 6763 / +27 82 821 5322	fmgidi@anglogoldashanti.com

Website: www.anglogoldashanti.com

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, total cash costs, all-in sustaining costs, all-in costs, cost savings and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions, dispositions or joint venture transactions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental health and safety issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward- looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, any supply chain disruptions, any public health crises, pandemics or epidemics (including the COVID-19 pandemic), and other business and operational risks and other factors, including mining accidents. For a discussion of such risk factors, refer to AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2020, filed with the United States Securities and Exchange Commission (SEC). These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

Non-GAAP financial measures

This communication may contain certain "Non-GAAP" financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non- GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use.

Website: www.anglogoldashanti.com