ANGLOGOLD ASHANTI

APPLICABLE PRICING SUPPLEMENT

AngloGold Ashanti Limited

(Incorporated in South Africa with limited liability under registration number 1944/017354/06)

Issue of R60 000 000 Senior Unsecured Floating Rate Notes with Stock Code ANG08

Under its R10 000 000 000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by AngloGold Ashanti Limited dated 29 June 2012, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that the Programme Memorandum contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

Description of the Notes

1.	Issuer	AngloGold Ashanti Limited
2.	Status of the Notes	Senior Notes
3.	Security	Unsecured
4.	Listed/Unlisted	Listed
5.	Series number	8
6.	Tranche number	1
7.	Aggregate Principal Amount of this Tranche	R60 000 000
8.	Interest/Payment Basis	Floating Rate
9.	Issue Date(s) and first settlement date	11 October 2013
10.	Minimum Denomination per Note	R1 000 000
11.	Specified Denomination (Principal Amount per Note)	R1 000 000
12.	Issue Price(s)	100% of the Principal Amount of each Note
13.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	Following Business Day
14.	Interest Payment Dates	11 January 2014, 11 April 2014, 11 July 2014 and 10 October 2014, or if such day is not a Business Day then in accordance with the Following Business Day Convention
15.	Interest Commencement Date(s)	11 October 2013
16.	Step-Up Date	N/A
17.	Final Redemption Date	10 October 2014
18.	Specified Currency	ZAR

19.	Additional Business Centre	N/A
20.	Maturity Amount	100% of the Principal Amount of each Note
21.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	N/A
22.	Additional covenants	None
23.	Additional events of default	None

FIXED RATE NOTES

24.	Fixed Interest Rate	N/A
25.	Interest Payment Date(s)	N/A
26.	Interest Period(s)	N/A
27.	Initial Broken Amount	N/A
28.	Final Broken Amount	N/A
29.	Step-Up Rate	N/A
30.	Any other items relating to the particular method of calculating interest	N/A

FLOATING RATE NOTES

31.	Interest Payment Date(s)	11 January 2014, 11 April 2014, 11 July 2014 and 10 October 2014, or if such day is not a Business Day then in accordance with the Following Business Day convention
32.	Interest Period(s)	From (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date, provided that the first Interest Period shall be from (and including) the Interest

		Commencement Date to (but excluding) 11 January 2014 and the last Interest Period shall end on (but exclude) 10 October 2014
33.	Manner in which the Interest Rate is to be determined	Screen Rate Determination
34.	Margin/Spread for the Interest Rate	0.85% per annum to be added to the relevant Reference Rate
35.	Margin/Spread for the Step-Up Rate	N/A
36.	If Screen Determination	
(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 month JIBAR
(b)	Rate Determination Date(s)	9 October 2013 in respect of the first Interest Period. Thereafter, the first Business Day of each Interest Period namely 11 January 2014, 11 April 2014 and 11 July 2014, or if such day is not a Business Day then in accordance with the Following Business day convention
(c)	Relevant Screen page and Reference Code	Reuters Page: 0#sfxMM or successor screen
37.	If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions	N/A
38.	Any other terms relating to the particular method of calculating interest	N/A

ZERO COUPON NOTES	N/A

INDEXED NOTES	N/A
OTHER NOTES	N/A

Provisions regarding Redemption/ Maturity

39.	Redemption at the option of the Issuer: if yes:	No
(a)	Optional Redemption Date(s)	N/A
(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
(c)	Minimum period of notice	N/A
(d)	If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on Redemption	N/A
40.	Redemption at the option of the holders of the Senior Notes (Put Option): if yes	No
(a)	Optional Redemption Date(s) (Put)	N/A
(b)	Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s)	N/A
(c)	Minimum period of notice	N/A
(d)	If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A

(e)	Other terms applicable on Redemption	N/A
41.	Redemption at the option of the holders of the Senior Notes upon a Change of Control in terms of Condition 8.6	Yes
42.	Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 8.3 or Optional Redemption following a Change of Control in terms of Condition 8.6 or redemption in terms of the Clean-Up Call Option in terms of Condition 8.7 or early redemption following an Event of Default in terms of Condition 12 : if yes	Yes
	Early Redemption Amount and method, if any, of calculation of such amount	as per Condition 8.8

GENERAL

43.	Additional selling restrictions	N/A
44.	International Securities Numbering (ISIN)	ZAG000109976
45.	Stock Code	ANG08
46.	Financial Exchange	The Interest Rate Market of the JSE
47.	Dealer(s)	RMB
48.	If syndicated, names of Lead Manager(s)	RMB
49.	Method of distribution	Dutch auction (sealed bid without feedback)
50.	Rating assigned to the Issuer (if any), date of such rating and date for review of such rating	S&P zaA (long term) and za A-2 (short term) as at 17 July 2013 which may be reviewed from time to time
51.	Rating Agency (if any)	Standard & Poors

52.	Governing Law	South Africa
53.	Last Day to Register	3 January 2014, 4 April 2014, 4 July 2014 and 3 October 2014, each being 17h00 on the Business Day preceding the Books Closed Period
54.	Books Closed Period	From 6 January 2014 to 10 January 2014, from 6 April 2014 to 10 April 2014, from 6 July 2014 to 10 July 2014 and from 5 October 2014 to 9 October 2014 (all dates inclusive), being 5 days prior to each Interest Payment Date and Redemption Date
55.	Calculation Agent	RMB
56.	Specified Office of the Calculation Agent	1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton 2196
57.	Transfer Agent	RMB
58.	Specified Office of the Transfer Agent	1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton 2196
59.	Stabilisation Manager, if any	N/A
60.	Programme Amount	R10 000 000 000
61.	Aggregate Outstanding Principal Amount of Notes in issue immediately after the Issue Date of this Tranche	R845 000 000, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
62.	Events of Default	See Condition 12
63.	Other provisions	The section of the Programme Memorandum headed "Risk Factors" is replaced with the new section attached to

this Pricing Supplement as Appendix "B"

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"

Application is hereby made to list this Tranche of the Notes, as from 11 October 2013, pursuant to the AngloGold Ashanti Limited Domestic Medium Term Note Programme.

ANGLOGOLD ASHANTI LIMITED

By: ______________________________	By: R. N DUFFY
SRINIVASAN VENKATAKRISHNAN	
Director, duly authorised	Director, duly authorised
Date: 09-10-2013	Date: 09-10-2013

APPENDIX "A"

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Inc.

Paragraph 3(5)(d)

As at the date of this issue:

(a) the Outstanding Principal Amount of all Notes issued by the Issuer immediately after the Issue Date of this Tranche, excluding this Tranche and any other Tranches of Notes to be issued on the Issue Date is R845 000 000;

(b) it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R400 000 000 during the remainder of its current financial year ending 31 December 2013, in addition to the Notes forming part of this issue of Notes.

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and the unaudited reviewed interim financial statements of the Issuer for the half-year ended 30 June 2013, which may be requested from the Issuer.

Paragraph 3(5)(f)

Save as reflected in the unaudited reviewed interim financial statements of the Issuer for the half-year ended 30 June 2013, there has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

Paragraph 3(5)(i)

The Notes are unsecured.

Paragraph 3(5)(j)

Ernst & Young Inc., the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

ANGLOGOLD ASHANTI LIMITED

By: ____________________	By: ____________________ R. N DUFFY
SRINIVASAN VENKATAKRISHNAN	
Director, duly authorised	Director, duly authorised
Date: 09 - 10 - 2013	Date: 09 - 10 - 2013

APPENDIX "B"

RISK FACTORS

This section describes many of the risks that could affect the Group. There may however be additional risks unknown to the Group and other risks, currently believed to be immaterial, that could turn out to be material. Additional risks may arise or become material subsequent to the date of this document. These risks, either individually or collectively, could significantly affect the Group's business, financial results and the price of its securities, including the Notes. Unless the context indicates otherwise, references to 'we' or 'us' are to the Issuer and its Subsidiaries.

Risks related to our results of operations and our financial condition as a result of factors that impact the gold mining industry generally.

Commodity market price fluctuations could adversely affect the profitability of operations.

Our revenues are primarily derived from the sale of gold and, to a lesser extent, uranium, silver and sulfuric acid. Our current policy is to sell our products at prevailing market prices and not to enter into price hedging arrangements. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond our control. For example, the market price of gold may change for a variety of reasons, including:

- speculative positions taken by investors or traders in gold;
- monetary policies announced or implemented by central banks, including the US Federal Reserve;
- changes in the demand for gold as an investment or as a result of leasing arrangements;
- changes in the demand for gold used in jewellery and for other industrial uses, including as a result of prevailing economic conditions and government actions (such as increased import duties on gold);
- changes in the supply of gold from production, divestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the US dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or anticipated sales or purchases of gold by central banks and the International Monetary Fund;
- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- the cost of gold production in major gold producing countries.

The market price of gold has been and continues to be significantly volatile. During 2012, the gold price traded from a low of $1,540 per ounce to a high of $1,790 per ounce and, during 2013, from a low of $1,181 per ounce to a high of $1,796 per ounce. On September 27, 2013, the closing price of gold was $1,337 per ounce. The price of gold is often subject to sharp, short-term changes; for example, during the period from Friday, April 12, 2013 through Monday, April 15, 2013, the price of gold dropped $228 per ounce and during the second quarter of 2013, the average price of gold decreased by nearly 15 percent compared to the first quarter of 2013, averaging $1,416 per ounce during the second quarter of 2013 (compared to $1,632 per ounce during the first quarter of 2013). The price of gold may decrease further in the future. While the overall supply of and demand for gold can affect its market price, the considerable size of historical mined (i.e., above ground) stocks of the metal means that these factors typically do not affect the gold price in the same manner or degree as for other commodities. In addition, the shift in demand from physical gold to investment and speculative demand may exacerbate the volatility of the gold price.

Since 2012, there appeared to develop a relationship between the central banks and the price of gold with the price falling at the prospect of the end of quantitative easing in some of the main economies. For example, on June 19, 2013, Chairman Ben Bernanke of the Federal Reserve announced that the Federal Reserve may begin reducing its quantitative easing program in 2013. During the course of the following week, the price of gold fell to $1,181 per ounce, its lowest level in 34 months. Effecting any reduction in the Federal Reserve's quantitative easing program, or any future announcements or proposals by the Federal Reserve, or any of its board members or regional presidents, relating to any such reduction, may materially and adversely affect the price of gold and, as a result, our financial condition and results of operations.

A sustained period of significant gold price volatility may adversely affect our ability to evaluate the feasibility of undertaking new capital projects, or the continuity of existing operations, or to meet our operational targets or to make other long-term strategic decisions. Lower and more volatile gold prices, together with other factors, have led us to reconsider our expansion and development strategy and production guidance and consider ways to align our asset portfolio to take account of such expectations and trends. A steep decrease in the price of gold, such as the decrease we have experienced in recent months, could also have a material adverse effect on our financial condition and results of operations, as we may be unable to quickly adjust our cost structure to reflect the reduced gold price environment. In accordance with IFRS, we have reviewed the carrying value of our mining assets (including ore body stockpiles) and, based on revised forecast gold prices, in the second quarter of 2013 there was a post-tax impairment of tangible and intangible assets and investments and inventory write-downs aggregating US42.4 billion. In addition, we are obliged to meet certain financial covenants under the terms of our borrowing facilities and our ability to continue to meet these covenants could be adversely affected by a sustained decrease in the price of gold. The use of lower gold prices in reserve calculations and life-of-mine plans could also result in material write-downs of our investments in mining properties or a reduction in our Ore Reserve estimates and corresponding restatements of our Ore Reserves and increased amortization, reclamation and closure charges.

The spot price of uranium has been volatile in past years. During 2012, the price varied between a low of approximately $41 per pound and a high of $53 per pound. On September 27, 2013, the spot price of uranium was $35 per pound. Uranium prices can be affected by several factors, including demand for nuclear reactors, uranium production shortfalls and restocking by utilities. Events like those surrounding the earthquake and tsunami that occurred in Japan in 2011 can also have a material impact on the price of and demand for uranium.The price of silver has also experienced significant fluctuations. From a low of $26 per ounce in January 2012, the price rose steadily to reach a high of $37 per ounce in February 2012. By December 2012, the price had dropped to approximately $30 per ounce. Factors affecting the price of silver include investor demand, physical demand for silver bars, industrial and retail off-take, and silver coin minting. On September 27, 2013, the price of silver was $22 per ounce.

In June 2012, the Indian Finance Ministry announced that it had raised gold import duties from 6% to 8%. Prior to this announcement, the Indian Finance Ministry had already tripled the import duty since January 2012. Such increases, and any similar import duty increases in India or other large gold importing countries, could adversely affect demand for, and consequently prices of, gold.

If revenue from sales of gold, uranium, silver or sulfuric acid falls below their respective cost of production for an extended period, we may experience losses or be forced to curtail or suspend some or all of our exploration projects and existing operations or sell underperforming assets. For example, in September 2013, AngloGold Ashanti (40%), IAMGOLD (40%) and the government of Mali (20%) announced the decision to suspend mining excavation activities at the Yatela gold mine in Mali effective September 30, 2013. The decision reflects a combination of factors, including miner safety in the pit, the drop in the spot price of gold and the reduction in profit margins. Declining commodities prices may also force a reassessment of the feasibility of a particular project or projects, which could cause substantial delays or interrupt operations until the reassessment can be completed.

Foreign exchange fluctuations could have a material adverse effect on our results of operations and financial condition.

Gold is principally an US dollar-priced commodity and most of our revenues are realized in, or linked to, US dollars while production costs are largely incurred in the local currency where the relevant operation is located. Given our global operations and local foreign exchange regulations, some of our funds are held in local currencies, such as the South African rand, Ghanaian cedi, Brazilian real, Argentine peso and the Australian dollar. The weakening of the US dollar against local currencies results in higher production costs in US dollar terms. Conversely, the strengthening of the dollar against local currencies results in lower production costs in US dollar terms.

Exchange rate movements may have a material impact on our operating results. For example, we estimate that a 1 percent strengthening of all of the South African rand, Brazilian real, the Argentine peso or the Australian dollar against the US dollar will, other factors remaining equal, result in an increase in total cash costs under IFRS of approximately $7 per ounce or approximately 1 percent of our total cash costs. The impact on cash costs determined under US GAAP may be different.

The profitability of operations and the cash flows generated by these operations are significantly affected by fluctuations in input production prices, many of which are linked to the prices of oil and steel.

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives, tires, steel and mining equipment consumed in mining operations form a relatively large part of the operating costs and capital expenditure of any mining company. We have no influence over the cost of these consumables, many of which are linked to some degree to the price of oil and steel.

The price of oil has recently been volatile, fluctuating between $88.40 and $130.57 per barrel of Brent crude in 2012. As of September 27, 2013, the price of oil was at $108.63 per barrel of Brent Crude. We estimate that for each US dollar per barrel rise in the oil price, other factors remaining equal, the total cash costs under IFRS of all our operations increases by approximately $0.70 per ounce. The impact on cash costs determined under US GAAP may be different. The cash costs of certain of our mines, particularly Yatela, Sadiola, Siguiri, Geita, Navachab, Morila and Cripple Creek & Victor, are most sensitive to changes in the price of oil. As mentioned above, in September 2013, AngloGold Ashanti (40%), IAMGOLD (40%) and the government of Mali (20%) announced the decision to suspend mining excavation activities at the Yatela gold mine in Mali effective September 30, 2013.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, the price of flat hot rolled coil (North American Domestic FOB) steel traded between $590 per tonne and $733 per tonne in 2012. On September 27, 2013, the price of flat hot rolled coil (North American Domestic FOB) was $630 per tonne.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

Energy cost increases and power fluctuations and stoppages could adversely impact our results of operations and financial condition.

Increasing global demand for energy, concerns about nuclear power, and the limited growth of new supply are impacting the price and supply of energy. The transition of emerging markets to higher energy consumption, carbon taxation as well as unrest and potential conflict in the Middle East, among other factors, could result in increased demand or constrained supply and sharply escalating oil and energy prices.

Our mining operations are substantially dependent upon electrical power generated by local utilities or by power plants situated at some of our operations. The unreliability of these local sources of power can have a material effect on our operations, as large amounts of power are required for exploration, development, extraction, processing and other mining activities on our properties.

In South Africa, our operations are dependent on electricity supplied by one state-owned power generation company, Eskom. Electricity is used for most business and safety-critical operations that include cooling, hoisting and dewatering. Loss of power can therefore impact production, employee safety and prolonged outages could lead to flooding of workings and ore sterilization. In 2008, Eskom and the South African government declared a national emergency and warned that they could no longer guarantee the availability of electricity due to a national supply shortage blamed on coal supply shortages and unplanned generation-set outages as a result of maintenance backlog and asset age. The entire country went into a program of rolling blackouts and we, along with other mining companies operating in South Africa, were forced in late January until mid-March of 2008 to temporarily suspend mining operations at our mines. In addition, lightning damage to power stations can result in power interruptions at our operations. In this regard, our two main operational sites in the West Wits region in South Africa had all main power interrupted between March 13, 2013 and March 15, 2013 after a fire caused by lightning damaged a transformer at a main regional substation. The power supply to our South African operations may be curtailed or interrupted again in the future. A warning of the "very high" risk of blackouts was re-issued at the start of 2011 and again in 2012. While a national energy conservation program is in place, Eskom cannot guarantee that there will be no power interruptions and is again facing very tight supply reserve margins in 2013, which we expect to continue at least until the new coal fired Medupi Power Station starts to come on line, which has been delayed until the latter half of 2014.

Eskom and the National Energy Regulator of South Africa ("NERSA') recognize the need to increase electricity supply capacity and a series of tariff increases and proposals have been enacted to assist in the funding of this expansion. In 2010, NERSA approved an annual increase of 24.8 percent for 2010, 25.8 percent for 2011, 25.9 percent for 2012, and 16.0 percent for 2013. The actual increase implemented for 2012 was lowered to 16.09 percent after government intervention, but there can be no assurance as to the existence or nature of any government intervention in the future. In February 2013, NERSA announced that Eskom would be allowed to increase electricity tariffs at an average yearly rate of 8 percent between 2013 and 2018. This increase is half the 16 percent sought by the utility in its application. As energy represents a large proportion of our operating costs in South Africa, these increases have had, and any future increases will have, a materially adverse impact on the cash costs of our South African operations.

We have also identified a risk of energy shortages in Argentina and the DRC. Furthermore, all of our mining operations in Ghana depend on hydroelectric power supplied by the state-controlled Volta River Authority ("VRA'), which is supplemented by thermal power from the Takoradi plant and a smaller unit at Tema. During periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam, the VRA's primary generation source, may be curtailed as occurred in 1998, 2006 and the first half of 2007. During periods of limited electricity availability, the grid is subject to disturbances and voltage fluctuations which can damage equipment. Recent disruptions in natural gas supply from Nigeria, via the West Africa Gas Pipeline, which lasted for several months, led to some reduction in thermal generation capacity and the use of more expensive light crude oil which is putting upward pressure on power tariffs. In the past, the VRA has obtained power from neighboring Côte d'Ivoire, which has intermittently experienced political instability and civil unrest. We negotiate rates directly with the VRA and the VRA may not agree to a satisfactory rate during future rounds of negotiations.

Our mining Operations in Guinea, Tanzania and Mali are dépendent on power supplied by outside contractors and supplies of fuel are delivered by road. Power supplies have been disrupted in the past, resulting in production losses due to equipment failure.

Increased energy prices could negatively impact operating costs and cash flow of our operations.

Global economic conditions could adversely affect the profitability of Operations.

Our operations and performance depend significantly on worldwide economic conditions. The global financial markets have experienced considerable volatility from uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Concerns remain regarding the sustainability of the European Monetary Union and its common currency, the euro, in their current form, as well as the negative impacts of the recent downgrade of the sovereign credit rating of the Republic of South Africa. These conditions and other disruptions to international credit markets and financial systems have caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite the aggressive measures taken by governments and central banks so far, economic recovery has been extremely slow. A significant risk remains that these measures may not prevent the global economy from falling back into an even deeper and longer lasting recession or even a depression.

A global economic downturn and recession may have follow-on effects on our business that include inflationary cost pressures and commodity market fluctuations.

Other effects could, for example, include:

- the insolvency of key suppliers or contractors which could result in contractual breaches and in a supply chain breakdown;

- the insolvency of one or more of our joint venture partners which could result in contractual breaches and disruptions at the operations of our joint ventures;

- changes in other income and expense which could vary materially from expectations, depending on gains or losses realized on the sale or exchange of financial instruments, and impairment charges that may be incurred with respect to our investments;

- our defined benefit pension fund may not achieve expected returns on its investments, which could require us to make substantial cash payments to fund any resulting deficits;

- a reduction in the availability of credit which may make it more difficult for us to obtain financing for our operations and capital expenditures or make that financing more costly; and

- exposure to the liquidity and insolvency risks of our lenders and customers;

any of which could negatively affect our financial condition and results of operations.

Uncertainty regarding global economic conditions may increase volatility or negatively impact the market value of our securities.

Inflation may have a material adverse effect on results of operations.

Many of our operations are located in countries that have experienced high rates of inflation during certain periods.It is possible that significantly higher future inflation in the countries in which we operate may result in an increase in operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect on upon our results of operations and our financial condition. Significantly higher and sustained inflation, with a consequent increase in operational costs, could result in the rationalization or closure of higher cost mines or projects.

Mining companies face many risks related to the development of mining projects that may adversely affect our results of operations and profitability.

The profitability of mining companies depends partly on the actual costs of developing and operating mines, which may differ significantly from estimates determined at the time the relevant project was approved following completion of its feasibility study. Development of mining projects may also be subject to unexpected problems and delays that could increase the development and operating costs of the relevant project.

Our decision to develop a mineral property is typically based on the results of a feasibility study. Feasibility studies estimate the expected or anticipated economic returns from the project. These estimates are based on assumptions regarding:

- future prices of gold, uranium, silver and other metals;

- future currency exchange rates;

- tonnage, grades and metallurgical characteristics of ore to be mined and processed;

- anticipated recovery rates of gold, uranium, silver and other metals extracted from the ore;

- anticipated capital expenditure and cash operating costs; and

- required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are to a significant extent driven by the cost of commodity inputs consumed in mining, including fuel, chemical reagents, explosives, tires and steel, and also by credits from by-products, such as silver and uranium. They could also fluctuate considerably as a result of changes in the prices of mining equipment used in the construction and operation of mining projects.

There are a number of uncertainties inherent in the development and construction of a new mine or the extension of an existing mine. In addition to those discussed above, these uncertainties include the:

- timing and cost of construction of mining and processing facilities, which can be considerable;

- availability and cost of mining and processing equipment;

- availability and cost of skilled labor, power, water and transportation;

- availability and cost of appropriate smelting and refining arrangements;

- cost and time required in order to secure land and, where necessary, resettle occupants;

- applicable requirements and time needed to obtain the necessary environmental and other governmental permits; and

- availability of funds to finance construction and development activities.

The remote location of many mining properties, permitting requirements and/or delays, third-party legal challenges to individual mining projects and broader social or political opposition to mining may increase the cost, timing and complexity of mine development and construction. New mining operations could experience unexpected problems and delays during the development, construction, commissioning and commencement of production. We may prove unable to successfully develop the La Colosa and Gramalote projects as well as other potential exploration sites in Colombia due to difficulties that could arise in relation to, for example, social and community opposition, litigation, ore body grades, definition of adequate reserves and resources, and the time taken to prove project feasibility that could result in the expiry of permits. For example, on March 11, 2013, Cortolima, a regional environmental authority in Tolima, Colombia, which is where our La Colosa project is located, issued an injunction against our Colombian subsidiary, alleging that the subsidiary was operating without proper permits and was engaging in activity that was harmful to the environment in the vicinity of Piedras, which is one of the areas in which we have been contemplating locating a tailings facility for the La Colosa mine. Furthermore, at around the same period in time, access to our drilling site was blockaded by residents of Piedras. Our subsequent request to have the injunction order annulled was denied by the Director of Cortolima on May 27, 2013, and, as a result, the injunction remains in place. Additionally, the Administrative Court in Tolima approved a request by local opponents of mining in Piedras to have a consultative vote on whether mining should be banned in the municipality of Piedras. The vote was held as expected, which is to say the consultative vote was arguably in favor of banning mining or related activities in the municipality of Piedras. Local authorities are attempting to introduce regulatory measures seeking to implement such a ban, and we would expect to initiate legal proceedings challenging such measures. As a result, protracted litigation may ensue, which could adversely affect our ability to conduct any mining or related activities in that area.

Accordingly, our future development activities may not result in the expansion or replacement of current production, or one or more new production sites or facilities may be less profitable than anticipated or may be loss-making. Our operating results and financial condition are directly related to the success of our project developments. A failure in our ability to develop and operate mining projects in accordance with, or in excess of, expectations could negatively impact our results of operations, as well as our financial condition and prospects.

Mining companies face uncertainty and risks in exploration, feasibility studies and other project evaluation activities.

We must continually replace Ore Reserve depleted by mining and production to maintain or increase production levels in the long term. This is undertaken by exploration activities that are speculative in nature. The ability to sustain or increase our present levels of gold production depends in part on the success of our projects and we may be unable to sustain or increase such levels. For example, in South Africa during 2011 and 2012, we experienced declining production rates (1.213 million ounces of gold in 2012, compared to 1.624 million ounces of gold in 2011 and 1.784 million ounces in 2010), principally due to continued safety and associated stoppages, mining flexibility constraints and overall falls in grades. The significant decrease in 2012 was also attributable to the industrial strike action at our South African mines, which resulted in the loss of production of 235,000 ounces of gold.

Feasibility studies and other project evaluation activities necessary to determine the current or future viability of a mining operation are often unproductive. Such activities often require substantial expenditure on exploration drilling to establish the presence, extent and grade (metal content) of mineralized material. We undertake feasibility studies to estimate the technical and economic viability of mining projects and to determine appropriate mining methods and metallurgical recovery processes. These activities are undertaken to estimate the Ore Reserve.

Once mineralization is discovered, it may take several years to determine whether an adequate Ore Reserve exists, during which time the economic feasibility of the project may change due to fluctuations in factors that affect both revenue and costs, including:

- future prices of metals and other commodities;
- future foreign currency exchange rates;
- the required return on investment as based on the cost and availability of capital; and
- applicable regulatory requirements, including environmental, health and safety matters.

Feasibility studies also include activities to estimate the anticipated:

- tonnages, grades and metallurgical characteristics of the ore to be mined and processed;
- recovery rates of gold, uranium and other metals from the ore; and
- capital expenditure and cash operating costs.

These estimates depend on assumptions made on available data. Ore Reserve estimates are not precise calculations and depend on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on available sampling results. Further exploration and feasibility studies can result in new data becoming available that may change previous Ore Reserve estimates and impact the technical and economic viability of production from the project. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves resulting in revisions to previous Ore Reserve estimates. These revisions could impact depreciation and amortization rates, asset-carrying amounts, provisions for closedown, restoration and environmental rehabilitation costs.

We undertake annual revisions to our Ore Reserve estimates based upon actual exploration and production results, depletion, new information on geology, model revisions and fluctuations in production, forecasts of commodity prices, economic assumptions and operating and other costs.

These factors may result in reductions in Ore Reserve estimates, which could adversely affect life-of-mine plans and consequently the total value of our mining asset base. Ore Reserve restatements could negatively affect our results of operations, as well as our financial condition and prospects.

The increased overall demand for gold and other commodities, combined with a declining rate of discovery of new gold Ore Reserve in recent years, has resulted in the accelerated depletion of the existing Ore Reserve across the global gold sector. We therefore face intense competition for the acquisition of attractive mining properties. From time to time, we evaluate the acquisition of an Ore Reserve, development properties or operating mines, either as stand-alone assets or as part of companies. Our decision to acquire these properties has been based on a variety of factors including historical operating results, estimates and assumptions regarding the extent of the Ore Reserve, cash and other operating costs, gold prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and our operations and how these factors may change in the future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate the Ore Reserve.

As a result of these uncertainties, exploration and acquisitions by us may not result in the expansion or replacement of current production or the maintenance of our existing Ore Reserve net of production or an increase in Ore Reserve. Our results of operations and our financial condition are directly related to the success of our exploration and acquisition efforts and our ability to replace or increase the existing Ore Reserve. If we are not able to maintain or increase our Ore Reserve, our results of operations as well as our financial condition and prospects could be adversely affected.

Mining companies face many risks related to their operations that may adversely impact cash flows and overall profitability.

Gold mining is susceptible to events that may adversely impact a mining company's ability to produce gold and meet production and cost targets. These events include, but are not limited to:

- environmental, as well as health and safety incidents during production or transportation resulting in injury, loss of life, or damage to equipment;
- ground and surface water pollution;
- social or community disputes or interventions;
- security incidents;
- surface or underground fires or explosions;
- electrocution;
- falls from heights and accidents relating to mobile machinery, including shaft conveyances and elevators, drilling blasting and mining operations;
- labor force disputes and disruptions;
- loss of information integrity or data;
- activities of illegal or artisanal miners;
- shortages in material and equipment;
- mechanical failure or breakdowns and ageing infrastructure;
- failure of unproven or evolving technologies;
- energy and electrical power supply interruptions or rationing;

- unusual or unexpected geological formations, ground conditions, including lack of mineable face length, and ore-pass blockages;
- water ingress and flooding;
- process water shortages;
- metallurgical conditions and gold recovery;
- unexpected decline of ore grade;
- unanticipated increases in gold lock-up and inventory levels at heap-leach operations;
- fall-of-ground accidents in underground operations;
- cave-ins, sinkholes, subsidence, rock falls, rock bursts, or landslides;
- failure of mining pit slopes, heap-leach facilities, water or solution dams, waste stockpiles and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- safety-related stoppages;
- gold bullion theft;
- corruption, fraud and theft;
- allegations of human rights abuses;
- seismic activity; and
- other natural phenomena, such as floods, droughts or weather conditions, potentially exacerbated by climate change.

Seismic activity is of particular concern in underground mining operations, particularly in South Africa due to the extent and extreme depth of mining, and also in Australia and Brazil due to the depth of mining and residual tectonic stresses. Despite modifications to mine layouts and support technology, as well as other technological improvements employed with a view to minimizing the incidence and impact of seismic activity, seismic events have caused death and injury to employees and contractors and may do so again in future, and have in the past and may again result in safety-related stoppages.

Seismic activity may also cause the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities. As a result, these events may have a material adverse effect on our results of operations and financial condition. For example, in early 2011, mining of the Ventersdorp Contact Reef shaft pillar at Tau Tona was suspended following a significant seismic event. New equipment had to be purchased and the shutdown contributed to the decline in the operational output of the mine as compared to the previous year.

In the past, floods have also disrupted the operations of some of our mines. For example, unprecedented heavy rains in February and March 2011 in Australia flooded the Sunrise Dam Gold Mine and forced a temporary shutdown of operations. The flood impacted underground production for approximately four months and open pit production for approximately six months. Despite the shutdown, full costs were incurred as the mining contractors worked on remedial activities to repair damage and rehabilitate flooded areas. The considerable remedial work required adversely impacted cash costs per ounce and the impact of the flood event and the pit wall failure together significantly reduced planned production at the plant.

Mining companies' operations are vulnerable to infrastructure constraints.

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable rail, ports, roads, bridges, power sources, power transmission facilities and water supply are critical to our business operations and affect capital and operating costs. These infrastructure and services are often provided by third parties whose operational activities are outside our control.

Interferences in the maintenance or provision of infrastructure, including unusual weather phenomena, sabotage and social unrest, could impede our ability to deliver our products on time and adversely affect our business, results of operations and financial condition.

Establishing infrastructure for our development projects requires significant resources, identification of adequate sources of raw materials and supplies, and necessary co-operation from national and regional governments, none of which can be assured.

We have operations or potential development projects in countries where government-provided infrastructure may be inadequate and regulatory regimes for access to infrastructure may be uncertain, which could adversely impact the efficient operation and expansion of our business. We may not secure and maintain access to adequate infrastructure in the future, or may not do so on reasonable terms.

Mining companies face strong competition.

The mining industry is competitive in all of its phases. We compete with other mining companies and individuals for specialized equipment, components and supplies necessary for exploration and development, for mining claims and leases on exploration properties and for the acquisition of mining assets. These competitors may have greater financial resources, operational experience and technical capabilities than us. Competition may increase our cost of acquiring suitable claims, properties and assets.

Mining companies are subject to extensive health and safety laws and regulations.

Gold mining operations are subject to extensive health and safety laws and regulations in every jurisdiction they operate in. These laws and regulations, along with international and industry standards, designed to protect and improve the safety and health of employees, require extensive compliance measures.

From time to time, new or updated health and safety laws, regulations and standards are introduced and may be more stringent than those to which we are currently subject. Should compliance with these laws, regulations and standards require a material increase in expenditure or material changes or interruptions to operations or production, including as a result of any failure to comply with applicable regulations, our results of operations and our financial condition could be adversely affected. Furthermore, we are implementing an enhanced safety program, which could result in additional costs for us.

In some of the jurisdictions in which we operate, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents. Certain of our operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called 'Section 54 safety stoppages' have become a significant issue. In 2011, the Inspector of Mines ordered the shutdown of entire mines in cases of relatively minor violations, which had a material impact on production at these mines. In particular, the Inspector issued Kopanang eleven Section 54 notices during 2011. Each notice resulted in Kopanang suspending operations either fully or partially in order to comply with the inspector's recommendations on safety.

Safety-related stoppages resulted in the direct loss of 72,900, 72,400 and 5,229 ounces of gold production during 2011, 2012 and the first quarter of 2013, respectively, in South Africa.

A working group comprised of the inspectorate, the mining industry and organized labor has been formed to address the trend of increasing safety stoppages in South Africa. However, the working group may not agree on how to address this issue and the number of safety stoppages may continue or even increase in the future.

Our reputation could be damaged by any significant governmental investigation or enforcement of health and safety laws, regulations or standards. Any of these factors could have a material adverse effect on our results of operations and financial condition.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of 'social license to operate', and could adversely impact mining companies' financial condition.

As a result of public concern about the perceived ill effects of economic globalization, businesses in general and large multinational mining corporations like us in particular face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that while they seek a satisfactory return on investment for shareholders, human rights are respected and other social partners, including employees, host communities and more broadly the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have, or have, a high impact on their social and physical environment. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in additional operating costs, reputational damage, active community opposition, allegations of human rights abuses, legal suits and investor withdrawal.

Existing and proposed mining operations are often located at or near existing towns and villages, natural water courses and other infrastructure. As the impacts of dust generation, waste storage, water pollution or shortage, in particular, may be immediate and directly adverse to those communities, poor environmental management practices, or adverse changes in the supply or quality of water can result in community protest, regulatory sanctions or ultimately in the withdrawal of community and government support for our operations. For example, opposition to mining activity in the Tolima province of Colombia, which hosts the La Colosa deposit, has centered on the perception that large-scale mining activity will have a detrimental impact on the region's river systems. We are also currently subject to an injunction issued by Cortolima, the environmental authority of Tolima, based on allegations that our activities in the region are harmful to the environment.

Mining operations must be designed to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, or by relocating the affected people to an agreed location. Responsive measures may also include the full restoration of livelihoods of those impacted. In addition, we are obliged to comply with the terms and conditions of all the mining rights we hold in South Africa. In this regard the Social and Labor plan provisions of our mining rights must make provision for local economic development (LED) programs that take into account the social and economic background of the area in which their mines operate. The LED programs must take into account the key economic activities of the area in which we operate our mines, the impact our mines will have on the local and sending communities, various infrastructure and poverty eradication projects our mines may be supporting in keeping with integrated development plans in the areas our mines operate and also provide for measures that assist in addressing housing and living conditions of our employees.

In addition, as we have a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental or health impacts in those areas. For example, certain parties, including non-governmental organizations, community groups and institutional investors, have raised concerns and, in the case of some individuals in Obuasi, threatened or commenced litigation, relating to air pollution or surface and groundwater quality, among other issues, in the area surrounding our Obuasi and Iduapriem mines in Ghana, including potential impacts to local rivers and wells used for water from heavy metals, arsenic and cyanide as well as sediment and mine rock waste.

Disputes with surrounding communities may also affect mining operations, particularly where they result in restrictions of access to supplies and to mining operations. The miners' access to land may be subject to the rights or asserted rights of various community stakeholders, including indigenous people. Access to land and land use is of critical importance to us for exploration and mining, as well as for ancillary infrastructure. In some cases, we have had difficulty gaining access to new land because of perceived poor community compensation practices. For example, compensation remains a significant area of concern in Siguiri in Guinea. In 2011, a violent community protest interrupted operations for three days, which contributed to the project's decline in production as compared to 2010. Delays in projects attributable to a lack of community support can translate directly into a decrease in the value of a project or into an inability to bring the project to production.

The cost of measures and other issues relating to the sustainable development of mining operations could place significant demands on personnel resources, could increase capital and operating costs and could have an adverse impact on our reputation, results of operations and financial condition.

Mining companies are subject to extensive environmental laws and regulations.

Mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. In addition to international standards, these regulations and standards establish limits and conditions on a miner's ability to conduct its operations and govern, among other things, extraction, use and conservation of water resources; air emissions (including dust control) and water treatment and discharge; regulatory and community reporting; clean-up of contamination; worker safety and community health; and the generation, transportation, storage and disposal of solid and hazardous wastes, such as acids, radioactive materials, and mine tailings.

The cost of compliance with environmental laws and regulations is expected to continue to be significant to us. We could incur fines, penalties and other sanctions, clean-up costs, and third-party claims for personal injury or property damages, suffer reputational damage, or be required to install costly pollution control equipment or to modify or suspend operations, as a result of actual or alleged violations of environmental laws and regulations. In addition, unknown environmental hazards may exist on our properties which may have been caused by previous owners or operators.

For example, in 2010 our Obuasi mine in Ghana suspended gold processing operations for five days to implement a revised water management strategy aimed at reducing contaminants contained in its discharge. Brief stoppages after environmental incidents, such as pipeline failures, have occurred more recently at that mine. Furthermore, following a temporary suspension of operations at the Iduapriem mine, we, with the approval of the Ghana Environmental Protection Agency, constructed an interim tailings storage facility for tailings deposition for a year while a new tailings storage facility was being constructed. We continue to seek to make improvements in water quality management to reduce the risk of unpermitted and/or accidental discharges and, in addition, we are currently investigating allegations of impacts on water quality in the area of these mines.

In September 2013, the Tanzanian National Environment Management Council (NEMC) issued an emergency protection order (EPO) with penalties and fines of approximately US$100 000 to Geita mine in relation to alleged environmental non-compliances. An appeal was lodged against the EPO. Subsequent to discussions with the NEMC the EPO and the penalties and fines have been suspended by the NEMC until due consideration of the NEMC task force report and the appeal.

Failure to comply with applicable environmental laws and regulations may also result in the suspension or revocation of operating permits. Our ability to obtain and maintain permits and to successfully operate in particular communities may be adversely impacted by real or perceived effects on the environment or human health and safety associated with our or other mining companies' activities.

For example, in Colombia, various plaintiffs, including associations that represent local communities, have brought legal proceedings against AngloGold Ashanti Colombia S.A. ("AGAC") alleging that AGAC has violated applicable environmental laws in connection with the La Colosa project. If the plaintiffs were to prevail, AGAC's three core concession contracts relating to the La Colosa project may be cancelled and AGAC would be required to abandon the La Colosa project and all other existing mining concession contracts and pending proposals for new mining concession contracts of AGAC, though not those of other companies of our group operating in Colombia. In addition, AGAC would be banned from doing business with the Colombian government for a period of five years.

Environmental laws and regulations are continually changing and are generally becoming more stringent. Changes to our environmental compliance obligations or operating practices could adversely affect our rate of production and revenue. Variations in laws and regulations, assumptions made to estimate liabilities, standards or operating procedures, more stringent emission or pollution thresholds or controls, or the occurrence of unanticipated conditions, may require operations to be suspended or permanently closed, and could increase our expenses and provisions. These expenses and provisions could adversely affect our results of operations and our financial condition.

For example, the use of sodium cyanide in metallurgical processing is under increasing environmental scrutiny and is prohibited for certain jurisdictions. As there are few, if any, effective substitutes in extracting gold from the ore, any ban or material restrictions on the use of sodium cyanide in mining operations in the jurisdictions where we conduct our operations could adversely affect our results of operations and financial condition. In addition, leaks or discharges of sodium cyanide or other hazardous materials could result in liabilities for clean-up or personal injury that may not be covered by insurance.

Our operations are heavily dependent upon access to substantial volumes of water for use in the mining and extractive processes and typically are subject to water-use permits that govern usage and require, among other things, that mining operations maintain certain water quality upon discharge. Water quality and usage are areas of concern globally, such as with respect to our mining operations in Ghana and South Africa and our exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure by us to secure access to suitable water supplies, or achieve and maintain compliance with applicable requirements of the permits or licenses, could result in curtailment or halting of production at the affected operation. Incidents of water pollution or shortage may, in some cases, lead to community protest and ultimately to the withdrawal of community and government support for our operations. Any failure by us to comply with any water contamination rehabilitation directives may result in further directives being issued, which may, in some cases, result in a temporary or partial shutdown of some of our operations. Water scarcity has been identified as a significant risk at our US operation in particular. Production at the Cripple Creek & Victor Gold Mining Company's Cresson mine continued to be affected by a severe drought in 2011 and 2012. The lack of water reduced percolation through the heap-leach pad, which curtailed production and productivity. During the first half of 2013, drought conditions continued to adversely affect Cripple Creek & Victor's gold production and water availability continues to be limited.

Mining and mineral processing operations generate waste rock and tailings. The impact of dust generation, breach, leak, or failure of a waste rock or tailings storage facility, can be significant. An incident at our operations could lead to, among others, obligations to remediate environmental contamination and claims for property damage and personal injury from adjacent communities. Incidents at other companies' operations could result in governments tightening regulatory requirements and restricting mining activities.

In addition, mining companies are required by law to close their operations at the end of the mine life and rehabilitate the lands mined. Estimates of total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on life-of-mine profiles, changing inflation and discount rate assumptions, changing designs of tailing storage facilities and current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse impact on our financial condition.

Discounted closure liability, which represents an estimate of our total ultimate closure and rehabilitation costs associated with our mining operations, was US$758 million as at December 31, 2012 compared with US$653 million as at December 31, 2011 (in each case, exclusive of joint ventures). The reasons for the change were new damage from current mining operations, new damage from building of new mining areas, the acquisition of Mine Waste Solutions, changes in estimates for new life of mine calculations and changes in discount rates. Costs associated with rehabilitating land disturbed by mining processes and addressing environmental, health and community issues are estimated and financial provisions are made based upon current available information. Estimates may, however, be insufficient and further costs may be identified at any stage that may exceed the provisions that we have made. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect our asset values, earnings and cash flows.

Compliance with emerging climate change regulations could result in significant costs and climate change may present physical risks to a mining company's operations.

Greenhouse gases (GHGs) are emitted directly by our operations, as well as by external utilities from which we purchase power. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol, the Copenhagen Accord and the Durban Platform, are in various phases of discussion or implementation in the countries in which we operate. In particular, the Durban Platform commits all parties to the conference to develop a global mitigation regime which could take effect in 2020, with the specific terms of that legally binding accord, including individual targets, to be finalized by 2015. These, or future, measures could require us to reduce our direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply our operations. We could also incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. For example, on July 1, 2012, the Australian Government introduced a carbon tax on GHG emissions (although the newly elected government (which took power in September 2013) has indicated that it plans to abolish the carbon tax during 2014). It also plans to implement an emissions trading scheme beginning in July 2015. Other countries, including South Africa, Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, although the precise impact on our operations cannot yet be determined.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, create resource shortages or damage our property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease.

Compliance with 'conflict minerals' and 'responsible gold' legislation and standards could result in significant costs.

There are ever more stringent standards relating to 'conflict minerals' and 'responsible' gold that include the: US Dodd-Frank Act; World Gold Council Conflict Free Gold Standard; Organization for Economic Cooperation and Development Due Diligence Guidelines for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas; and London Bullion Market Association Responsible Gold Guidance.

Any such legislation and standards may result in significant costs to ensure and demonstrate compliance, and difficulties in the sale of gold emanating from certain areas. The complexities of the gold supply chain, especially as they relate to 'scrap' or recycled gold, and the fragmented and often unregulated supply of artisanal and small-scale mined gold are such that there may be significant uncertainties at each stage in the chain as to the provenance of the gold, and as a result of uncertainties in the process, the costs of due diligence and audit, or the reputational risks of defining their product or a constituent part as containing a 'conflict mineral' would be too burdensome for our customers. Accordingly, manufacturers may decide to switch supply sources or to substitute gold with other minerals not covered by the initiatives. This could have a material negative impact on the gold industry and on our financial results.

Mining operations and projects are vulnerable to supply chain disruption with the result that operations and development projects could be adversely affected by shortages of, as well

as the lead times to deliver, strategic spares, critical consumables, mining equipment or metallurgical plant.

Our operations and development projects could be adversely affected by both shortages and long lead times to deliver strategic spares, critical consumables, mining equipment and metallurgical plant. Import restrictions, such as those introduced by the Argentine government in 2011, can also delay the delivery of parts and equipment. In the past, we and other gold mining companies experienced shortages in critical consumables, particularly as production capacity in the global mining industry expanded in response to increased demand for commodities. We have has also experienced increased delivery times for these items. Shortages have resulted in unanticipated price increases and production delays and shortfalls, resulting in a rise in both operating costs and in the capital expenditure necessary to maintain and develop mining operations.

Individually, we and other gold mining companies have limited influence over manufacturers and suppliers of these items. In certain cases there are a limited number of suppliers for certain strategic spares, critical consumables, mining equipment or metallurgical plant who command superior bargaining power relative to us. We could at times face limited supply or increased lead time in the delivery of such items. For example, during 2012, supply of caustic soda was delayed in the Continental Africa Region. In addition, the unreliability of oxygen and lime supply similarly affected production at the Vaal River and West Wits surface operations in South Africa throughout 2011 and poor availability of drill rigs, heavy machinery and fleet equipment hampered underground drilling and overall operational performance at the Serra Grande mine in Brazil in 2011.

Our procurement policy is to source mining and processing equipment and consumables from suppliers that meet our corporate values and ethical standards although risk remains around the management of ethical supply chains. In certain locations, where a limited number of suppliers meet these standards, additional strain is placed on the supply chain, thereby increasing the cost of supply and delivery times.

Furthermore, supply chains and rates can be impacted by natural disasters, such as earthquakes, extreme weather patterns and climate change, as well as other phenomena that include unrest, strikes, theft and fires. For example, a three-week transport strike in 2012 delayed the supply of consumables in South Africa. Although potential supply chain disruptions in Mali, as a result of the coup d'état and subsequent state of emergency, were avoided by well managed consumable stock holding, any return of instability or armed conflict in the country could present material supply chain difficulties. Moreover, although the potential gold doreé export disruptions at Geita that resulted from an attempted gold heist, and in Mali, following the closure of Bamako International Airport, were minimized with the introduction of alternative transportation arrangements, such alternatives may not be available upon the occurrence of similar or more severe situations in the future. In February 2013, a fire destroyed the heavy mining equipment stock of spares and components at the Geita gold mine. If we experience shortages, or increased lead times in the delivery of strategic spares, critical consumables, mining equipment or processing plant, we might have to suspend some of our operations and our results of operations and financial condition could be adversely impacted.

Diversity in interpretation and application of accounting literature in the mining industry may impact reported financial results.

The mining industry has limited industry-specific accounting literature. As a result, there is diverse interpretation and application of accounting literature on mining specific issues. We, for example, capitalize drilling and costs related to defining and delineating a residual mineral deposit that has not been classified as a 'Proven and Probable Reserve' at a development project or production stage mine. Some companies, however, expense such costs.

As and when this diverse interpretation and application is addressed, our reported results could be adversely impacted should the adopted interpretation differ from the position we currently follow.

Failure to comply with laws, regulations, standards, contractual obligations whether following a breach or breaches in governance processes or fraud, bribery and corruption

may lead to regulatory penalties, loss of licenses or permits, negative effects on our reported financial results and loss of reputation.

Since we operate globally in multiple jurisdictions, including those with less developed political or regulatory environments, and with numerous and complex frameworks, our governance and compliance processes may not prevent potential breaches of law, accounting principles or other governance practices. Our Code of Business Principles and Ethics, among other policies, standards and guidance, and training thereon may not prevent instances of unethical or unlawful behaviour, including bribery or corruption, nor guarantee compliance with legal and regulatory requirements, and breaches may not be detected by management.

Sanctions for failure by us or others acting on our behalf to comply with these laws, regulations, standards and contractual obligations could include fines, penalties, imprisonment of officers, litigation, and loss of operating licenses or permits, suspensions of operations, negative effects on our reported financial results and may damage our reputation. Such sanctions could have a material adverse impact on our financial condition and results of operations.

Breaches in information technology security and governance process may adversely impact business activities.

We maintain global information technology and communication networks and applications to support our business activities. Information technology security processes may not prevent future malicious actions, denial-of-service attacks, or fraud, resulting in corruption of operating systems, theft of commercially sensitive data, misappropriation of funds and business and operational disruption. Material system breaches and failures could result in significant interruptions that could in turn affect our operating results and reputation.

Risks related to our results of operations and our financial condition as a result of factors specific to us and our operations.

We removed the last of our gold hedging instruments and long-term sales contracts, which exposes us to potential gains from subsequent commodity price increases but exposes us entirely to subsequent commodity price decreases.

We removed the last of our gold hedging instruments in October 2010 to provide greater participation in a rising gold price environment. As a result, we no longer have any protection against declines in the market price of gold.

A sustained decline in the price of gold could adversely impact our operating results and our financial condition.

Any downgrade of credit ratings assigned to our debt securities could increase future interest costs and adversely affect the availability of new financing.

An actual or expected negative development of our results of operations or cash flows, country risk, financial metrics, or an increase in our net debt position could result in the deterioration of our credit ratings. Our ratings are influenced by the location of our domicile and our operations. For example, following the downgrade of South Africa's sovereign debt rating as a result of strikes, social tension and policy uncertainty in South Africa, we were placed on "credit watch negative" by Standard & Poor's on October 17, 2012. Any further downgrade of the South African sovereign credit rating may have an adverse effect on our credit rating.

Separately, each of Moody's (on July 12, 2013) and Standard & Poor's (on July 17, 2013) downgraded our credit rating, and the credit ratings of our publicly traded securities, and Moody's placed us on "credit watch negative" on the same date.

Any further downgrade of our ratings by ratings agencies could increase the cost of capital, reduce the investor base and negatively and materially affect our business, results of operations and financial condition.

Labor disruptions could have a material adverse effect on our results of operations and financial condition.

Our employees in South Africa, Ghana, Guinea and Argentina, are highly unionized. Trade unions, therefore, have a significant impact on our labor relations, as well as on social and political reforms, most notably in South Africa. There is a risk that strikes or other types of conflict with unions or employees may occur at any of our operations, particularly where the labor force is unionized or there is inter-union rivalry. Labor disruptions may be used to advocate labor, political or social goals in the future. For example, labor disruptions may occur in sympathy with strikes or labor unrest in other sectors of the economy and for political goals. Labor unrest in South Africa can also be fuelled by migrant labor conditions and mine worker debt levels. Furthermore, such labor disruptions may themselves affect or be perceived to affect local political and social stability. Acts or vandalism affecting mines and mine equipment are possible during periods of labor unrest.

For example, following a wave of labor unrest and unprotected strike action that took place throughout the South African mining, transport and agricultural sectors in August 2012, workers from our Kopanang mine, three West Wits mines and the Vaal River region's other operations engaged in unprotected strikes in September 2012. More than 100,000 miners were involved in the strikes across the mining sector during the last four months of 2012. Workers at our mines in South Africa have also staged sit-ins which prompted us to suspend operations at some of our mines. These work stoppages pose significant safety risks and operating challenges. The protracted period of inactivity caused by the strike, coupled by the depth of the affected mines, complicated the consequent ramping up of production following the termination of the strikes and resulted in a lengthened ramp-up period to ensure employee safety. The unprotected strike action at our South African operations had an adverse impact on our results in the third quarter of 2012 and significantly adversely impacted our results in the fourth quarter of 2012. We estimate that the unprotected strike action cost approximately 235,000 ounces in lost production due to the work stoppages and the slow ramp-up to full production.

In addition, the emergence of the Association of Mineworkers and Construction Union (AMCU), a relative newcomer with respect to our South African operations and the gold sector as a whole, impacted productivity in the first half of 2013, as employees changed union affiliations and rivalry with the established National Union of Mineworkers (NUM) increased. This was evidenced during the first half of 2013 by sporadic, unprotected work interruptions at some operations and some incidents of violence and intimidation.

Lower production and payroll increases resulting from the labor disruptions have adversely impacted the financial performance of all South African operations, threatening viability in some cases (in particular at our West Wits operations) and similar disruptions in the future may have a material adverse effect on our results of operations and financial condition. For example, subsequent to the 2012 strikes, we, along with our major gold-producing peers in South Africa, increased the entry-level pay of employees; established a new pay category for equipment operators; provided an allowance for rock-drill operators; and increased pay by 2 percent for most categories of workers. The net impact of the settlement on our payroll cost is expected to be approximately $16 million per annum.

In South Africa, amendments to labor legislation have been proposed, which, if implemented, may have negative consequences for us. For example, the proposed amendment with respect to labor brokers could mandate that laborers who are provided by labor brokers to perform certain services for us could be viewed as our employees, which could increase our labor costs and reduce our operational flexibility.

In South Africa, the restructuring of mining operations that result in lay-offs or redundancies are currently a highly contentious matter. While the Department of Mineral Resources does not have any statutory right on the basis of existing labor legislation to intervene in any such restructuring process, it may intervene by placing external pressure on mining companies in respect of the renewal or cancellation of their mining rights.

Increased labor costs could have a material adverse effect on our results of operations and financial condition.

Labor costs represent a substantial proportion of our total operating costs and at many operations, including our South African, Ghanaian and Tanzanian operations, constitute our single largest component of operating costs. Failing to obtain any simultaneous increase in productivity, any change to our wage agreements or other factors that could increase labor costs may have a material adverse effect on our results of operations and financial condition. In 2012, the cost of salaries and wages increased by 7 percent over 2011 levels.

In Tanzania, with effect from 9 July 2013, the minimum wage for the mining sector was increased by 22% and an additional statutory entitlement of leave travel assistance once in every two years of continuous service, was introduced.

In South Africa, the established practice is to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. South African employment law sets out minimum terms and conditions of employment for employees, which form the benchmark for all employment contracts. As at December 31, 2012, approximately 62 percent of our workforce, excluding contractors, or approximately 52 percent of our total workforce was located in South Africa. The mining unions and gold mining companies have signed a two-year wage agreement, with the latest increases (ranging from 7 percent to 8 percent) awarded to the workforce from June 2013. Further negotiations on this agreement is still ongoing with AMCU which may result in an increase in labor actions, including strikes and other instances of labor unrest. Such negotiations or any such strikes or instances of labor unrest may persist for a protracted period of time. In addition, any new agreement would likely result in increased labor costs for us. NUM, Solidarity and the United Association of South Africa (UASA) embarked on a strike from 3 September 2013 at our Vaal River Operations. AngloGold made an improved offer to its unionised employees in South Africa, under the auspices of the gold industry's collective bargaining framework, with the aim of reaching a two-year wage settlement. On 6 September 2013 NUM, Solidarity and UASA indicated that their members will accept the improved offer and therefore were returning to work. Rival unión AMCU has largely remained outside of the negotiations and settlement to date and there has been no indication whether they will accept the improved offer. AMCU has the majority of membership at AngloGold's West Wits operations (Mponeng, Tau Tona and Savuka) but NUM holds the majority at AngloGold's Vaal River operations (Moab Khotsong, Great Noligwa and Kopanang). The risk of industrial and/or go slow action, particularly at AngloGold's West Wits operations remains, and it is expected that discussions with AMCU will continue. Therefore, despite settlement having been reached with NUM, Solidarity and UASA – and this new agreement being rolled out across the South African gold industry (including to AMCU members), uncertainty and risk remains

Our results may be further impaired if we incur penalties for failing to meet standards set by labor laws regarding workers' rights or incur costs complying with new labor laws, rules and regulations. For example, employment law in South Africa imposes monetary penalties for neglecting to report to government authorities on progress made towards achieving employment equity in the workplace. Both the legislative systems of Ghana contain broad provisions requiring mining companies to recruit and train local personnel and to use the services of local companies. Tanzania is currently in the process of drafting local procurement and services regulations. In Australia, the federal government has recently introduced a new industrial relations system that includes 'good faith bargaining' obligations for employers, fewer restrictions on the content of collective agreements and an enhanced role for union officials as bargaining representatives, parties to agreements and participants in dispute resolution. Penalties and compliance costs, as well as increased costs due to laws and regulations less favourable to employers, could have a material adverse effect on our results of operations and financial condition.

Our mining rights in the countries in which we operate could be altered, suspended or cancelled for a variety of reasons, including breaches in our obligations in respect of our mining rights.

Our right to own and exploit Mineral Reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of our Mineral Reserves and deposits are located in countries where mining rights could be suspended or cancelled should we breach our obligations in respect of the acquisition and exploitation of these rights.

In each of the countries in which we operate, the formulation or implementation of government policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits, agreements and contracts. In May 2012, for example, the Argentine government nationalized the oil company Yacimientos Petrolíferos Fiscales (YPF) by expropriating 51 percent of the shares from the majority Spanish shareholder. In Tanzania the government has indicated that it is moving towards ensuring that all mining entities are listed on the Dar es Salaam Stock Exchange (DSE). During the budget debate in June 2013, finance minister, William Mgimwa, told parliament that his office was working on a regulatory framework in line with the Mining Act (2010) requiring mining firms to list on the DSE.

Any existing and new mining and exploration operations and projects are subject to various national and local laws, policies and regulations governing the ownership and the right to prospect or mine or develop proposed projects. For more details on the risks surrounding ownership of mining assets, see —"*Title to our properties may be uncertain and subject to challenge*" and —"*our Mineral Reserve, deposits and mining operations are located in countries that face political, economic and security risks that may affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries*".

Project implementation delays could result in licenses not being renewed and the loss of mining rights. Some of our mining concessions, authorizations, licenses and permits are subject to expiry, limitations on renewal and to various other risks and uncertainties. For example, our license to mine at the Mongbwalu concession in the DRC is up for renewal in 2014, and we have sought renewal within the prescribed period prior to the license's expiration. We may not be successful, however, in the renewal process or in retaining the license on the same terms. If we are unsuccessful in the renewal process, we will need to record an impairment. In October 2012, the DRC announced a proposed overhaul of the DRC's mining code. This code contains certain provisions that, if enacted, would significantly and adversely affect our operations in the DRC. In particular, such provisions would result in material increases to the royalties and taxes that we currently pay, a significant reduction to the protections we currently enjoy on our projects in the DRC, significant limitations on our and ability to obtain or renew exploration licenses, a material increase in the government's mandatory equity participation and significant increases to our operating and investment costs in the DRC. This overhaul is still in progress.

Moreover, our mining rights in South Africa may be suspended or cancelled by the Minister of Mineral Resources, and we may be unable to obtain any new mining rights if we breach our obligations under the Mineral and Petroleum Resources Development Act (MPRDA).

If we are not able to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects, or continue our operations, or comply with all laws, regulations or requirements, or do so within timeframes that make such plans and operations economically viable, or if the laws impacting our ownership of our mineral rights, or the right to prospect or mine change materially, or should governments increase their ownership in our mines or nationalize them, our results of operations and our financial condition could be adversely affected.

Title to our properties may be uncertain and subject to challenge.

We have operations in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. Certain of our properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of those stakeholders may have an impact on our ability to develop or operate our mining interests. For example, in Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation is complex, difficult to predict and outside of our control, and could therefore negatively affect the business results of new or existing projects. Where consultation with stakeholders is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations.Moreover, amendments to the laws regulating mining in South Africa became effective on June 7, 2013. One of these amendments relates to the possible "expropriation" of mine dumps that were created before the coming into effect of the MPRDA on May 1, 2004. Although the legal position is not clear in this regard, it is possible that some pre-2004 mine dumps are now subject to the MPRDA and, as a result, the Minister of Mineral Resources may issue rights over such dumps to third parties.

Title to our properties, particularly undeveloped ones, may also be defective or subject to challenge. Title insurance generally is not available, and title review does not necessarily preclude third parties from contesting ownership. Where surveys have not been conducted, the precise area and location of our claims may be in doubt. Accordingly, our mineral properties may be subject to prior unregistered liens, agreements, transfers or claims,

We may experience unforeseen difficulties, delays or costs in successfully implementing our business strategy and projects, including any cost-cutting initiatives, and any such strategy or project may not result in the anticipated benefits.

The successful implementation of our business strategy and projects depends upon many factors, including those outside our control. For example: the successful management of costs will depend on prevailing market prices for input costs; the ability to grow the business will depend on the successful implementation of our existing and proposed project development initiatives and continued exploration success, all of which are subject to the relevant mining and company specific risks as outlined in these risk factors.In light of lower and more volatile gold prices, among other factors, we are in the process of implementing strategic initiatives to cut costs, reassess our asset portfolio and rationalize capital expenditure. Any future contribution of these measures to profitability will be influenced by the actual savings achieved and by our ability to sustain these ongoing efforts. Strategic alignment, restructuring and cost optimization initiatives involve various risks, including, for example, labor unrest and the loss of operating licenses. The risk is highest in South Africa, given recent calls for withdrawal of mining licenses for 'mothballed shafts' and hostile reaction to proposed mining industry retrenchments. In addition, these measures may not be implemented as planned; may turn out to be less effective than anticipated; may only become effective later than anticipated; or not be effective at all. Any of these outcomes, individually or in combination, may adversely impact our business, results of operations and financial condition.

Expectations for and trends in the price of gold, combined with increased costs for project financing and exploration in certain regions, have led us to increase our efforts to focus capital expenditure on our highest quality assets, while freeing up capital by curtailing capital expenditure or suspending operations at those projects that we believe are of lower quality. We may also consider finding partners or conducting asset sales relating to certain of our projects. With respect to dispositions, we may not be able to obtain prices that we expect for the assets we seek to dispose or divest some of our activities as planned or to obtain all of the required approvals, and the divestitures that are carried out could have a negative impact on our business, results of operations, financial condition and reputation.

We may also prove unable to deliver on production targets, including in potentially critical areas, such as the Obuasi turnaround plan in Ghana, as well as on the timely, cost-effective and successful execution of key capital projects and with regard to the implementation of our new Enterprise Resource Planning ("ERP") system. For more details on the risks surrounding the ERP implementation, see *"Risk Factors—The implementation of an integrated ERP system could have an adverse effect on our operational results of operations and financial condition.*"Unforeseen difficulties, delays or costs may adversely affect the successful implementation of our business strategy and projects, and such strategy and projects may not result in the anticipated benefits.

Any acquisition or acquisitions that we may complete may expose us to new geographic, political, legal, social, operating, financial and geological risks.

We may pursue the acquisition of producing, development and advanced stage exploration properties and companies. Any such acquisition may change the scale of our business and operations and may expose us to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks, including, for example, any of the following:

- there may be a significant change in commodity prices after we have committed to complete a transaction and established the purchase price or share exchange ratio;

- a material ore body may prove below expectations;

- we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls;

- such integration may disrupt our ongoing business and our relationships with employees, suppliers and contractors; and

- such acquisition may divert management's attention from our day-to-day business.

Furthermore, we operate and acquire businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above.In addition, any acquired business may have undetected liabilities which may be significant. In the event that we choose to raise debt capital to finance any acquisition, our leverage will increase. Should we choose to use equity as consideration for an acquisition, existing shareholders may suffer dilution. Alternatively, we may choose to finance any acquisition from our existing resources, which could decrease our ability to fund future capital expenditures.

We may not be successful in overcoming these risks or any other problems encountered in connection with acquisitions. Failure by us to implement our acquisition strategy or to integrate acquired businesses successfully could have material adverse effects on our growth and business results.

Ageing infrastructure at some of our operations could adversely impact our business.

Deep level gold mining shafts are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and accommodating services such as high and low tension electric cables, air and water pipe columns. Rising temperatures in the deeper mining areas can also lead to increased cooling requirements in the form of upgraded and expanded ice plants. Maintaining our infrastructure requires skilled human resources, capital allocation, management and planned maintenance.Once a shaft has reached the end of its intended lifespan, higher than normal maintenance and care is required. Incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have an adverse effect on our results of operations and financial condition. Asset integrity issues relating to ageing infrastructure are of particular concern in South Africa and at the Obuasi mine in Ghana.

For example, cracks were discovered in the mill feed end in September 2008 and at the discharge end in February 2010 at the Geita gold mine. The Geita gold mine is one of the group's principal assets and sources of cash flow. After initial repairs, the feed end was replaced during May and June 2011. A decision was subsequently taken to replace the entire mill as a result of shell distortion. After new mill manufacture delays, installation was completed during March 2013. Production throughput in 2011 was 1 million tonnes less than planned, as a result of mill downtime that included feed-end replacement; ore grade was however sufficient to achieve 494,000 ounces. The Geita gold mine produced approximately 531,000 ounces in 2012, with production throughput approximately 100,000 tonnes short of budget.

Some of our technologies are unproven and failure could adversely impact costs and production.

We have teamed up with various specialists to engineer new solutions to environmental management, mine design, rock breaking and underground logistics, among other matters. We have invested in new technologies, including phyto-technologies to reduce seepage and address soil and ground water contamination, and in mine support technologies to minimize the impact of seismic activity. We are also attempting to develop technologies to access the deeper reaches of South African mines.

Some aspects of these technologies are unproven and their eventual operational outcome or viability cannot be assessed with certainty. The costs, productivity and other benefits from these initiatives, and the consequent effects on our future earnings and financial condition, may vary from expectations. Failure by us to realize the anticipated benefits could result in increased costs, an inability to realize production or growth plans, or adversely affect our operational performance.

The level of our indebtedness could adversely impact our business.

As at May 31, 2013, we had gross borrowings of $3.2 billion (as at December 31, 2012: $3.0 billion) and as adjusted to give effect to the offering and the use of a portion of the proceeds thereof to acquire the 3.5% guaranteed convertible notes due May 2014 (assuming that all of the 3.5% guaranteed convertible bonds due May 2014 are tendered and purchased pursuant to a tender offer that we intend to commence for such bonds), of $3.7 billion, in each case excluding the mandatory convertible bonds amounting to $339 million (as at December 31, 2012: $588 million). As a result of this offering, our interest costs are expected to increase significantly.

Our indebtedness could have a material adverse effect on our flexibility to conduct our business. For example, we may be required to use a large portion of our cash flow to pay the principal and interest on our debt, which will reduce funds available to finance existing operations and the development of new organic growth opportunities and further acquisitions. In addition, under the terms of our borrowing facilities from our banks, we are obliged to meet certain financial and other covenants. Our ability to continue to meet these covenants and to service our debt will depend on our future financial performance which will be affected by our operating performance and could be negatively affected by a sustained decrease in the price of gold, as well as by financial and other factors, certain of which are beyond our controlHowever, these limitations on our ability to incur indebtedness are subject to numerous exceptions and qualifications.Should the cash flow from operations be insufficient, we could breach our financial and other covenants. Covenant breaches, if interpreted as events of default under one or more debt agreements, could allow lenders to accelerate payment of such debt. Any such acceleration could result in the acceleration of indebtedness under other financial instruments. As a result, we may be required to refinance all or part of the existing debt, use existing cash balances, issue additional equity or sell assets. We cannot be sure that it will be able to refinance our debt on commercially reasonable terms, if at all. Our ability to access the bank, public debt or equity capital markets on an efficient basis may be constrained by dislocation in the credit markets or capital and liquidity constraints in the banking, debt or equity markets at the time of issuance.

Certain factors may affect our ability to support the carrying amount of our property, plant and equipment, acquired properties, investments and goodwill on the balance sheet. If the carrying amount of our assets is not recoverable, we may be required to recognize an impairment charge, which could be significant.

We review and test the carrying amount of our assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. We value individual mining assets at the lowest level for which cash flows are identifiable and independent of cash flows of other mining assets and liabilities.If there are indications that impairment may have occurred, we prepare estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure. Estimated rehabilitationand closure costs could also materially affect our financial performance and could result in the need to recognize an impairment charge.

If any of these uncertainties occur, either alone or in combination, management could be required to recognize an impairment, which could have a material adverse effect on our results of operations and financial condition. In accordance with IFRS, we have reviewed the carrying value of our mining assets (including ore body stockpiles) and, following a preliminary analysis, based on revised forecast gold prices, we expect to book in the second quarter of 2013 a very significant charge under IFRS in relation to impairments and revaluation of net realizable value of our mining assets (including ore body stockpiles).

We expect to have significant financing requirements.

Our existing board-approved development projects and exploration initiatives will require significant funding. These include: Tropicana in Australia; Mponeng Below 120 Project in South Africa; the Kibali project in the DRC; and the mine life extension project (MLE2) at Cripple Creek & Victor in the United States.Potential future development projects will also require significant funding, if and when approved by our board of directors. These include the: La Colosa and Gramalote projects in Colombia; Moab Khotsong Zaaiplaats in South Africa; Iduapriem expansion project in Ghana, Sadiola Deeps project in Mali; Geita underground mining project in Tanzania; Nova Lima Sul project in Brazil; a further mine life extension project (MLE3) at Cripple Creek & Victor in the United States; as well as various other exploration projects and feasibility studies.We estimate that over the next three years, growth initiatives will require project capital expenditure (excluding stay in business and ore reserve development capital expenditure) of approximately $4.0 billion (subject to escalation and based on certain assumptions, including exchange rates). Our capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond our control, including volatile or sustained lower gold prices, and therefore our actual future capital expenditure and investments may differ significantly from the current planned amounts.Our operating cash flow and credit facilities may be insufficient to meet all of these expenditures, depending on the timing and cost of development of these and other projects as well as operating performance and available headroom under our credit facilities. As a result, new sources of capital may be needed to meet the funding requirements of these developments, to fund ongoing business activities and to pay dividends. Our ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, the condition of the financial markets, future gold prices, our operational performance and operating cash flow and debt position, among other factors. Our ability to raise further debt financing in the future and the cost of such financing will depend on, among other factors, our prevailing credit rating, which may be affected by our ability to maintain our outstanding debt and financial ratios at levels acceptable to the credit ratings agencies, our business prospects, risks relating to the countries in which we operate or other factors. As a result, in the event of lower gold prices, unanticipated operating or financial challenges, any dislocation in financial markets or new funding limitations, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing business activities and retire or service outstanding debt, could be significantly constrained, all of which could adversely impact our results of operations and financial condition.

We do not have full management control over some of our significant joint venture projects and other interests. If the operators of these projects do not manage these effectively and efficiently, our investment in these projects could be adversely affected and our reputation could be harmed.

Our joint ventures at Morila in Mali and at Kibali in the DRC are managed by our joint venture partner Randgold Resources Limited (Randgold). In addition, certain of our exploration ventures are managed by the relevant joint venture partner. Our marine gold joint venture with De Beers is managed by an independent company jointly owned by us and De Beers, with a significant part of the technical input subcontracted to De Beers or other marine service providers.While we provide strategic management and operational advice to our joint venture partners in respect of these projects, we cannot ensure that these projects are operated in compliance with the standards that we apply in our other operations. If these joint ventures are not operated effectively or efficiently, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, our investment in the relevant project could be adversely affected. In addition, negative publicity associated with operations that are ineffective or inefficiently operated, particularly relating to any resulting accidents or environmental incidents, could harm our reputation and therefore our prospects and potentially our financial condition. Further, any failure of joint venture partners to meet their obligations to us or to third parties, or any disputes with respect to our respective rights and obligations, could have a material adverse impact on our results of operations and our financial condition. In particular, we and Randgold retain equal representation, with neither party holding a deciding vote on the board of the two companies that have overall management control of the Morila project in Mali and the Kibali project in the DRC, respectively, and all major management decisions for each of these two projects, including approval of the budget, require board approval. If a dispute arises between us and Randgold with respect to the Kibali or Morila project and we are unable to amicably resolve such dispute, it may be difficult for the parties to make strategic decisions relating to the project affected by such dispute, the day-to-day operations and the development of such project may be adversely affected and we may have to participate in proceedings to resolve the dispute, which could adversely affect our results of operations and financial condition.

Our joint ventures and other strategic alliances may not be successful.

Our joint venture partners may have economic or business interests or goals that are not consistent with ours or may, as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under the joint venture or other agreements. Disputes between us and our joint venture partners may lead to legal action, including litigation between us and our joint venture partners. Such disputes could adversely affect the operation of the joint venture and may prevent the realization of the joint venture's goals. There is no assurance that our joint venture partners will continue their relationship with us in the future or that we will be able to achieve our financial or strategic objectives relating to our joint ventures.

The failure of our joint venture partners to fulfil their obligations or their unwillingness to continue these relationships may have an adverse effect on our results of operations and financial condition.

Our Mineral Reserve, deposits and mining operations are located in countries where political, tax and economic laws and policies may change rapidly and unpredictably and such changes and policies may adversely affect both the terms of our mining concessions, as well as our ability to conduct operations in certain countries.

Any existing and new mining, exploration operations and projects that we carry out are subject to various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social community relations and other matters.

In most of the countries in which we operate, there is a focus on resource nationalism with governments seeking to secure greater economic benefit from mineral resources. This entails the review of mining codes and stability agreements, and the formulation or amendment of laws, policies and regulations relating to issues such as mineral rights and asset ownership, royalties, taxation and taxation disputes, 'windfall' or 'super' taxation, non-recovery of taxation refunds, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings. Laws, policies and regulations in such countries are uncertain, changing and generally require progressively higher payments to governments, notably in the form of increased royalties and taxes, mandated beneficiation, export levies and increasing or retaining state or national ownership of resources. Changes in particular to the fiscal terms governing our operations may have a material adverse impact on our results of operations or financial condition, as well as discourage future investments in certain jurisdictions, which may have an adverse impact on our ability to access new assets and could potentially reduce future growth opportunities.

For example, on September 9, 2011, a new mining code for Guinea was enacted (the "Guinea Mining Code"). Under the Guinea Mining Code the State benefits from a 15 percent shareholding in mining entities, without financial compensation. However, the government could, at its option, purchase up to an additional 20 percent of each entity. The Guinea Mining Code was replaced in October 2012 by an amended version that was promulgated in April 2013. This amended Guinea Mining Code still requires implementation, but contains provisions which are comparable in scope to the original Guinea Mining Code. The Guinean government has also announced its intention to carry out a review of the mining conventions currently in force in Guinea. This mining convention review is currently in progress. The outcome of this review or the implementation of the amended Guinea Mining Code may have a material adverse effect on our results of operations or financial condition.

In late 2011 and early 2012, the government of Ghana amended its fiscal mining regime, increased its corporate taxation and royalty rates and provided for the authority to impose a windfall profit tax. Furthermore, the government of Ghana has constituted a review committee to review and re-negotiate stability agreements with mining companies. We have been invited to several meetings with the Ghanaian review committee. The outcome of this review process may lead to a renegotiation of our stability agreements, the result of which may have a material adverse effect on our results of operations or financial condition.

We and other major mining companies are in talks with the Tanzanian government regarding new mining legislation and its impact on existing mining agreements. Such talks follow an earlier declaration in July 2012 by the Tanzanian Minister of Energy and Minerals that the mining contracts were under review. The new mining legislation and the outcome of the review of the mining contracts may have a material adverse impact on our results of operations and financial condition. Recently, the Tanzanian Minister of Energy and Minerals unexpectedly increased the royalty rate levied on gold extracted in Tanzania by our operations by 1 percent. Further unanticipated increases in royalty rates in Tanzania or other countries could have a material adverse impact on our results of operations and financial condition.

In the DRC, in October 2012, the Mines Minister announced a proposed overhaul of the DRC's mining code. The Mines Minister is currently in discussion with the Chamber of Mines regarding the draft mining code which will be discussed at the next parliamentary session. The proposed laws seek to, among other things, increase the government stake in mining operations to 35 percent from the existing 5 percent, double royalties on some minerals, reduce in a significant way the protections we currently enjoy on our projects in the DRC, impose significant limitations on our ability to obtain and renew licenses and introduce a 50 percent levy on certain profits. Should such laws be enacted in the future, these may have a material adverse impact on our results of operations in the DRC.

On July 1, 2012, Australia's Minerals Resource Rent Tax (MRRT) came into effect after the legislation was passed in March 2012. The MRRT applies only to the bulk commodities of coal and iron ore, and replaced the previously proposed Resource Super Profit Tax (RSPT), which covered all minerals. The Australian federal government did not include gold and uranium in the final MRRT. However, should Australia consider reintroducing the RSPT, or if similar 'super profit' taxes were to be introduced and implemented in any other country in which we operate, our results of operations and financial condition could be materially adversely affected.

In addition, some of our mineral deposits and mining and exploration operations are located in countries that are experiencing political instability and economic uncertainty. For example, in South Africa, country risk has increased recently in light of the violent strike action in the mining sector, social unrest, high levels of unemployment, poverty and concern that the government may take measures unfavorable to business.

In December 2012, while the ruling African National Congress rejected the concept of wholesale nationalization, it nevertheless favored a 'resource rent' tax on windfall profits. Political instability and the resulting unstable business environment in which companies operate may discourage future investments in certain jurisdictions, which may have an adverse impact on our ability to access new assets and could potentially reduce our future growth opportunities.

In addition to the mining tax uncertainty described above, we are generally subject to an uncertain tax environment. Increased taxes are expected in most countries of operation. Changes in tax laws could result in higher tax expense and payments. Furthermore, legislation changes could materially impact our tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities. In addition, the uncertain tax environment in some regions could limit our ability to enforce our rights. As a global company, we conduct our business in countries subject to complex tax rules, which may be interpreted in different ways. Further interpretations or developments of tax regimes may affect our tax liability, return on investments and business operations. We are regularly examined by tax authorities in our various jurisdictions of operation.

For example, the Tanzania Revenue Authority ("TRA") has interpreted excise tax duty and fuel levy legislation in a way that adversely affects us. The TRA has determined that certain exemptions from such duties and levies under the mining development agreement that relates to our Geita gold mine do not apply and, as a result, our contractors have been unable to avail themselves of this exemption. This has had a negative impact on our Geita gold mine operations and we are in ongoing discussions with the government in this regard.

In addition, effective from 1 July 2013 two new taxes were introduced: (i) mining companies are now required to pay a 5% withholding tax on payments for services provided by suppliers resident in Tanzania; and (ii) a new tax levied at the rate of 0.15% of the value transferred on any electronic transfer of funds (for example, swift payments) (iii) petroleum levy of 50 Tanzania shillings per litre.

Furthermore, in Guinea, Mali and Tanzania, we are due refunds of input tax and fuel duties which remain outstanding for periods longer than those provided for in the respective statutes.

In 2013 the provincial government of Santa Cruz, where our Cerro Vanguardia mine is located in Argentina, enacted legislation the result of which may be a tax of 0.5% on all declared mineral reserves based on a closing price on December 31st of the previous year. AngloGold Ashanti considers the tax to be illegal under both Argentine law and our existing tax stability agreement, and intends to challenge the new tax in the courts. During the period of the legal challenge, or if AngloGold Ashanti is ultimately unsuccessful in its legal challenge, this new tax may have a material adverse effect on our results of operations or the financial condition of Cerro Vanguardia.

The countries in which we operate may also introduce strict exchange controls, impose restrictions to source materials and services locally, or impose other similar restrictions that hinder foreign companies' operations within such countries. For example, the Argentine government introduced stricter exchange controls and related protracted approval processes, which may limit our ability to repatriate dividends from our Argentine subsidiaries. In October 2011, the Argentina government decreed that mining, oil and energy companies must repatriate export earnings. Additionally, the purchase of US dollars requires authorization from the Argentine tax agency and the purpose for which the currency will be used must be stated. In May 2012, the Argentine Mining Secretariat issued new regulations requiring mining companies in Argentina to boost their domestic purchases of equipment and services. Mining companies are now required to resort exclusively to locally established suppliers for their export-related shipping and logistics operations. A separate norm requires companies to open an import substitution division which will be in charge of submitting procurement plans to the Mining Secretariat on a quarterly basis. Such requirements are hindering our operations within Argentina and these or similar requirements may continue to do so in the future and may have a material adverse effect on our results of operations and financial condition.

If, in one or more of the countries in which we operate, we are not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue our operations under conditions or within timeframes that make such plans and operations economically viable, or if the applicable legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws or regimes change materially, or if the governing political authorities change resulting in amendments to such laws and regimes, this could have a material adverse effect on our operating results, financial condition, and, in extreme situations, on the viability of an operation.For example, in South Africa mining rights are linked to meeting various obligations that include the broad-based socio-economic empowerment charter for the mining industry (the "Revised Charter"). Compliance with the Revised Charter is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans (HDSAs) by no later than May 2014 and that HDSAs must constitute 40 percent of all levels of management by 2014. The Revised Charter also stipulates procurement targets of 70 percent for services and 50 percent for consumer goods from HDSAs by 2014. While we believe that we are compliant with ownership targets to be achieved by May 2014, we must make further progress to achieve future targets, including further participation by HDSAs in senior and top management levels, the upgrade of housing and accommodation at our mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development, certain of which are also included under the Revised Charter's targets that must also be achieved by May 2014.

We will incur expenses in giving further effect to the Revised Charter and the scorecard. We may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder. Should we breach our obligations in complying with the Mineral and Petroleum Resources Development Act, Revised Charter or any future amendments to the Mining Charter, our mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and we may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on our results of operations and financial condition.

Our Reserve, deposits and mining operations are located in countries that face instability and security risks that may adversely affect both the terms of our mining concessions, as well as our ability to conduct operations in certain countries.

Some of our mineral deposits and mining and exploration operations are located in countries that are experiencing political instability and economic uncertainty.

Certain of the countries in which we have mineral deposits or mining or exploration operations, including the DRC, Mali, Guinea and Colombia, have in the past experienced, and in certain cases continue to experience, a difficult security environment. In particular, various illegal groups active in regions in which we are present may pose a credible threat of military repression, terrorism, civil unrest, extortion and kidnapping, which could have an adverse effect on our operations in these and other regions.

For example, Mali continues to experience a difficult security environment since the military coup in March 2012 and the military hostilities in 2013. The situation in Mali remains of heightened concern as a result of the instability in northern Mali.

Eastern DRC also continues to experience tension consistent with the cycles of unrest experienced since the late 2000s. Fighting has caused instability in the area and could expand or intensify.

In 2012, and for the first time in approximately seven years, AngloGold Ashanti Colombia's ("AGAC") assets and employees were the targets of direct attacks by hostile actors around the La Colosa project's area of influence. These and other such attacks could adversely affect our operations in Colombia.

Since 2009, we have recorded an almost five-fold increase in the instances of injury to security personnel, including members of our internal security, private security companies and public security forces in certain jurisdictions. In 2012, this increasing trend continued. The rise in the number and severity of security incidents has come as a result of both increased illegal and artisanal mining due to a steady migration of people into the areas and an increase in the level of organization and funding of criminal activity around some of our Continental African operations. The most significant security challenges have occurred in Tanzania and Ghana in areas where there is endemic poverty and high levels of unemployment. If the security environment surrounding our operations that are most exposed to these challenges does not improve or further deteriorates, employee, third-party and community member injuries and fatalities could also increase. Any such increase could disrupt our operations in certain mines and adversely affect our reputation, results of operations and financial condition.

In some instances, risk assessments categorize threats as serious enough to require resort to public security forces, such as national police or military units on a near-permanent basis. In the event that continued operations in any of our countries of operations compromise our security or business principles, we may withdraw from any such countries on a temporary or permanent basis. This could have a material adverse impact on our results of operations and financial condition.

Furthermore, we have at times experienced strained relationships with certain of our host communities. We operate in several regions where poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefit from mining operations is a significant area of focus for community and government. Conflict with communities has led to community protests and business interruptions, particularly at the Siguiri mine in Guinea during 2010 and 2011. In 2012, there were five recorded community protests at Cerro Vanguardia, Obuasi and Geita.

Illegal and artisanal mining occurs on our properties, which can disrupt our business and expose us to liability.

Illegal and artisanal miners are active on, or adjacent to, some of our Continental African and South American properties, which leads at times to interference with our operations and results in conflict situations that present a security threat to property and human life. Artisanal mining is associated with a number of negative impacts, including environmental degradation, flouting of land rights, poor working practices, erosion of civil society, human rights abuse and funding of conflict. The environmental, social, safety and health impacts of artisanal mining are frequently attributed to formal mining activity, and it is often assumed that artisanally-mined gold is channelled through large-scale mining operators, even though artisanal and large-scale miners have distinct supply chains. These misconceptions impact negatively on the reputation of the industry.

The activities of the illegal miners, which include theft and shrinkage, could cause damage to our properties, including pollution, underground fires, or personal injury or death, for which we could potentially be held responsible. Illegal mining could result in the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. Illegal mining and theft could also result in lost gold reserves, mine stoppages, and have a material adverse effect on our results of operations and financial condition.

The use of contractors at certain of our operations may expose us to delays or suspensions in mining activities and increases in mining costs.

We use contractors at certain of our operations to mine and deliver ore to processing plants as well as for other purposes. At mines employing mining contractors, contracting costs represent a significant proportion of the total operating costs of these operations and we do not own all of the mining equipment. For example, increased contractor rates at the Sadiola mine in Mali contributed to a significant rise in total cash costs in the final quarter of 2011. Increased contractor costs at Sunrise Dam in Australia and Geita in Tanzania contributed to higher production costs in the first quarter of 2012.

Our operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at affected mines have financial difficulties or if a dispute arises in renegotiating a contract, or if there is a delay in replacing an existing contractor and its operating equipment to meet business needs at expected cost levels. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on our results of operations and financial condition.

For example, on October 11, 2012, we terminated the underground development contract with a third-party contractor at the Obuasi mine in Ghana. The overall costs of the termination amounted to approximately $23 million.

In addition, our reduced control over those aspects of operations which are the responsibility of contractors, their failure to comply with applicable legal, human rights and regulatory requirements, or their inability to manage their workforce or provide high quality services or a high level of productivity could adversely affect our reputation, results of operations and financial condition, and may result in us incurring liability to third parties due to the actions of contractors.

We compete with mining and other companies for key human resources and our inability to retain key personnel could have an adverse effect on our business.

We complete on a global basis with mining and other companies, to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to operate and supervise our business. This is further exacerbated in the current environment of increased mining activity across the globe, combined with the global shortage of key mining skills, including geologists, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of global industry shortages of skilled labor, we are required to achieve employment equity targets of participation by HDSAs in management and other positions. We complete with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience. We have historically faced difficulty recruiting and retaining young graduates and qualified mid-level management in South Africa. Recruitment of skilled personnel has been challenging in Continental Africa due to university offerings that are often not well-suited to the specific needs of the mining industry, as well as other factors such as language barriers and low literacy skills. The recruitment of skilled workers is also highly competitive in South America as a result of a shortage of skills and intense competition between mining companies.

We may not be able to retain and attract sufficient skilled and experienced employees in all areas of the business. Should we fail to do so or lose any of our key personnel, our business and growth prospects may be harmed and this could have an adverse impact on our results of operations and financial condition.

Our inability to retain our senior management may have an adverse effect on our business.

Our success depends largely upon the continued service of our senior management, including our chief executive officer and the executive officers at each of our business divisions and general managers at our mines. The loss of one or more members of senior management could lead to other members of the management team leaving, disrupt our operations, and have a material adverse impact on our business, results of operations and financial condition.

The prevalence of occupational health diseases and the potential costs and liabilities related thereto may have an adverse effect on our business and our results of operations.

The primary areas of focus in respect of occupational health of employees within our operations are noise-induced hearing loss and occupational lung diseases (OLD), which include pulmonary diseases such as tuberculosis from various causes and silicosis in individuals exposed to silica dust. These require active dust management strategies in underground operations, particularly in South Africa where a significant number of silicosis cases by current and former employees alleging past exposures are still reported each year to the board for statutory compensation. We provide occupational health services to our employees at our occupational health centers and clinics and continue to improve preventative occupational hygiene initiatives, such as implementing various dust control measures and supplying our employees with respiratory protection equipment. If the costs associated with providing such occupational health services, implementing such dust control measures or supplying such equipment increase significantly beyond anticipated or budgeted amounts, this could have an adverse effect on our results of operations and our financial condition. Actual and alleged health and safety incidents or breaches of standards may also adversely impact our reputation.

We are currently subject to class action litigation with respect to alleged OLD (see "*We are subject to the risk of litigation, the causes and costs of which are not always known*"). We are calling for the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. An industry-wide solution may not be reached or the terms of any such solution may have a material adverse effect on our financial condition.

In response to the effects of silicosis in labor-sending communities, a number of mining companies (under the auspices of the Chamber of Mines of South Africa) together with the NUM, which is the largest union in the mining sector in South Africa, and the national and regional departments of health, have embarked on a project to assist in delivering compensation and relief by mining companies under the Occupational Diseases in Mines and Works Act (ODMWA) to affected communities.

We also face certain risks in dealing with HIV/AIDS, particularly at our South African operations and with tropical disease outbreaks such as malaria and other diseases which may have an adverse effect on our results of operations and financial condition. AIDS and associated diseases remain one of the major health care challenges faced by our South African operations. Workforce prevalence studies indicate that HIV prevalence rates among our South African workforce may be as high as 30 percent. Malaria and other tropical diseases pose significant health risks at all of our operations in central, west and east Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Other conditions such as heart disease, chronic diseases, and obesity are of increasing incidence and concern.

Such diseases impair the health of workers and negatively affect productivity and profitability as a result of workers' diminished focus or skill, absenteeism, treatment costs and allocated resources. Any current or future medical program may not be successful in preventing or reducing the infection rate among our employees or in affecting consequent illness or mortality rates. We may incur significant costs in addressing this issue in the future, which could also adversely impact our results of operations and financial condition.

The costs and impacts associated with the pumping of water inflows from closed mines adjacent to our operations could have an adverse effect on our results of operations.

Certain of our mining operations, such as our Vaal River and West Wits Operations, are located adjacent to the mining operations of other mining companies. In May 2013, Village Main Reef (VMR) announced its intention to wind down its Buffels (Hartebeesfontein and Buffelsfontein) marginal operations adjacent to our Vaal River operations, effectively transitioning the operations to closure due to substantial margin erosion caused by the plummeting gold price together with the high cost base. The closure of a mining operation may have an adverse impact upon continued operations at the adjacent mines if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at the adjacent closed mine are suspended. Such ingress could have a material adverse effect on our mining operations as a result of property damage, extended disruption of our ability to mine in those locations, costly additional investments in pumping infrastructure and additional pollution liabilities. For example, we, as well as other mine operators in the region of our Vaal River operations, are required, pursuant to a directive issued by the Department of Water Affairs, to contribute to the costs of pumping underground water from affected mine shafts. A failure by any of these other mine operators to contribute to its share of these pumping costs could result in us incurring significant additional pumping costs, which could have an adverse impact upon our results of operations and financial condition.

The potential costs associated with the remediation and prevention of groundwater contamination from our operations or due to flooding from closed mines adjacent to our operations could have a material adverse effect on our results of operations and financial condition.

We have identified groundwater contamination plumes at certain of our operations that have occurred primarily as a result of seepage from surface operations and facilities including tailings storage facilities and waste rock.

Deep groundwater contamination is a significant issue in South Africa, where groundwater in some older mining regions has infiltrated mined-out workings. Potential contamination risk to shallow ground and surface water resources can occur when water is exposed to sulfide-bearing rock in such situations. We have identified a flooding and future pollution risk posed by deep groundwater in and near the Klerksdorp and Far West Rand goldfields. Our Vaal River operations are part of the Klerksdorp goldfields and our West Wits operations are part of the Far West Rand goldfields. As a result of the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields.

In view of the limitation of current information for the accurate estimation of liabilities, no reliable estimate can be made for these obligations. The potential costs of remediation and prevention of groundwater contamination at our operations could be significant and may have a material adverse impact on our results of operations and financial condition.

The occurrence of events for which we are not insured or for which our insurance is inadequate may adversely affect cash flows and overall profitability.

We maintain insurance to protect only against catastrophic events which could have a significant adverse effect on our operations and profitability. This insurance is maintained in amounts that we believe to be reasonable depending upon the circumstances surrounding each identified risk. However, damage and third-party claims arising from catastrophic events may exceed the limit of liability on insurance policies we have in place. Furthermore, our insurance does not cover all potential risks associated with our business and may exclude certain parts of our business. We may elect not to insure certain risks due to the high premiums or for various other reasons, including an assessment that the risks are remote.

We may not be able to obtain insurance coverage at acceptable premiums. We believe negotiations with insurance providers have become more difficult for a number of reasons, including prevailing macroeconomic conditions and the risk profile of the mining industry. Insurance for certain risks in particular, such as loss of title to mineral property, political risks in certain jurisdictions, environmental pollution, or other hazards resulting from exploration and production, is not generally available to mining companies on acceptable terms. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond our control or from claims, and this can result in higher premiums and periodically being unable to maintain the levels or types of insurance we typically carry.

The failure to obtain adequate insurance could impair our ability to continue to operate in the normal course or could result in the occurrence of events for which we are not insured, either of which could adversely impact our cash flows, results of operations and financial condition.

We are subject to the risk of litigation, the causes and costs of which are not always known.

We are subject to litigation, arbitration and other legal proceedings arising in the normal course of business and may be involved in disputes that may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental and health and safety concerns, share price volatility or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty but could include costly damage awards or settlements, fines, and the loss of licenses, concessions, or rights, among other things.

In the event of a dispute we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in South Africa or the United States.

We are subject to numerous claims, including class actions or similar group claims relating to silicosis and other OLD, and could be subject to similar claims in the future.

We have received a notice of applications for class certification relating to tuberculosis and silicosis in which we are a respondent. We have also received notice of individual claims.

It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against us in the future. We will defend all and any subsequent claims as filed on their merits. Should we be unsuccessful in defending any such claims, or in otherwise favorably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in an earlier decision by the Constitutional Court of South Africa, such matters would have an adverse effect on our financial position, which could be material.

In Colombia, we are also involved in three class action lawsuits in relation to AGAC Santa Maria-Montecristo and La Colosa projects. One of these class action lawsuits led to a preliminary injunction suspending the mining concession contracts of the Santa Maria-Montecristo project in September 2011. We are also subject to an injunction issued in March 2013 by Cortolima, the regional environmental authority of Tolima, Colombia, where our La Colosa project is located. Additionally, in Colombia, AGAC is involved in an action in the Administrative Superior Court of the Cundinamarca District against the Ministry of Environmental and Sustainable Development (MADS) following its issuance of a fine against AGAC on the basis that AGAC was in breach of its mining terms of reference.

Should we be unable to resolve disputes favorably or to enforce our rights, this may have a material adverse impact on our financial performance, cash flow and results of operations.

The implementation of an Integrated Enterprise Resource Planning system could have an adverse effect on our results of operations and financial condition.

We are implementing a single, global ERP system to support all the operations that we manage. The ERP system was planned for implementation over a three-and-a-half-year period which commenced in August 2011. The contemplated implementation of an ERP system on a global basis is inherently a high-risk initiative due to the potential for implementation cost and time overruns. In addition, such implementation could affect our ability to report and manage technical and financial information if difficulties in the implementation and operation of the system are experienced, which could have an adverse effect on our results of operations and financial condition. The first sites went live during February 2013 and additional sites went live in May 2013 and August 2013. Recently, however, as part of our efforts to maximize margins and rationalize capital expenditure in response to current operating conditions we have again been considering the timing of the full implementation of our ERP system.

Any material changes to the information disclosed in this Description of the AngloGold Ashanti Limited section will be disclosed in the consolidated annual financial statements of AngloGold Ashanti Limited and will also be available on the Issuers website at www.anglogoldashanti.com.