



ANGLOGOLD ASHANTI

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GREENFIELD EXPLORATION

Greenfield exploration activities were undertaken in six regions (Australia, Americas, Pacific, Sub-Saharan Africa and the Middle East & North Africa) during Q2 2011. A total of 60,453 metres of diamond, RC and AC drilling was completed at existing priority targets and used to delineate new targets in Australia, Colombia, Argentina, Guinea, Gabon, the DRC, Egypt, Ethiopia, Brazil and the Solomon Islands. Expenditure this quarter was US\$24.3M compared to US\$18.60M in Q1 2011.

In **Australia**, at the Tropicana JV (AngloGold Ashanti 70%, Independence Group 30%), exploration continued during the second quarter following up significant results from previous work. Significant results were received from aircore drilling during the quarter for several prospects including Iceberg, 35km south of Tropicana, where 20m @ 0.99 g/t Au was intersected from 32m, including 8.0m @ 2.19 g/t Au from 40m. At Margarita, 10km SW of Tropicana, results included 1m at 1.76 g/t Au from 45m. At Ninja, 15km WSW of Tropicana – Havana, results included 2m at 1.01 g/t Au.

Greenfields exploration in the **Americas** during the second quarter of 2011 continued focusing on early stage exploration in Colombia, Canada, USA, Brazil and Argentina. In Colombia exploration programmes were undertaken in four separate regions. A 3000m diamond drilling programme and sampling and mapping was completed at the Nuevo Chaquiro prospect around Quebradona. Elsewhere mapping and sampling programmes were undertaken at the La Llanada, La Vega and Anaima-Tocha Belt. Geophysical programmes included the commencement of regional airborne magnetic and radiometric surveys, utilising two helicopter borne systems.

In **Brazil**, drilling commenced at the Falcao Project, a joint venture with Horizonte Minerals. Regional geochemical sampling programmes were undertaken over the Santana JV area. And Juruena project areas. In Argentina exploration drilling started at El Volcan on targets defined by earlier drill programmes.

In the **Solomon Islands**, exploration activities continued at the Kele and Mase Joint Ventures with XDM Resources, while tenement applications associated with two additional Joint Venture agreements covering the New Georgia and Vangunu project areas progressed. At Mase diamond drilling was restarted during May with a total of 247m completed during the quarter. At Kele diamond drilling continued with 1,370m completed during the quarter. Here mechanical cutting and sampling of 4,52km of trenches focussed in the Tango West, Konga and Kukumbokulu prospect areas.

In **Sub-Saharan Africa**, project generation work is ongoing and new conceptual targets to guide longer term strategies in Africa have been developed.

In the **Democratic Republic of the Congo**, regional exploration continued on Ashanti Goldfields Kilo (AGK) 5,487km² Kilo project. Greenfield exploration activities continued in six projects Lodjo, Issuru, Dala, Alosi Camp 3, Mont Tsi and Petsi. Five diamond holes were drilled at Mont Tsi and drilling has commenced at Issuru to the north of the Mongbwalu project area. Drilling will

recommence at Mont Tsi after the completion of a ground geophysical survey. (Stewart/Renee see results for DRC and other regions in the attached PPT)

In **Gabon**, drilling continued at La Mboumi West and Central on the Ndjolé licence, a joint venture with Dome Ventures, Renewal applications have been completed for the Ndjole & Mevang JV licences. Geochemical soil sampling and mapping continues over La Mboumi as well as AGA's Eteke North (Ogooue licence).

In **Guinea**, regional exploration work, including soil sampling and drilling programmes on Blocks 2, 3 and 4 in the Siguiri Mine region. A total of 7,360 geochemical soil samples were collected. Encouraging gold in soil geochemical anomalies were revealed by this work.

Additional resource delineation and definition drilling was completed at Saraya in late June. A total of 2,969m of diamond and 3,646m of RC drilling was completed. Assay results from infill drilling include apparent thickness intercepts of 18m @ 5.4 g/t Au from 80m, 9m @ 4.91 g/t Au from 146m and 14m @ 1.9 g/t Au from 190 in SARC277 and: 14m @ 1.25 g/t Au from 110m in SARCDD007. Delineation and infill drilling commenced at Kounkoun, located in Block 3, where twelve holes totalling 2,346m were completed during the quarter, while assay results from this work are pending.

Greenfields exploration in the **Middle East & North Africa region** is being undertaken by Thani Ashanti; a 50:50 Strategic Alliance between AngloGold Ashanti and Thani Investments. Exploration during Q2 involved diamond drilling at the Hutite prospect, located on the Hodine licence in Egypt. Here 3,043m of diamond drilling was completed during the quarter and results include: 3m @ 4.83 g/t Au from 55m, 5m @ 4.61 g/t Au from 152m and 5m @ 1.42 g/t Au from 163m in HUD004. Most significant results returned this quarter are from the 1000m long Central Zone, where mineralisation has been intersected in all seven holes drilled to date.

In **Eritrea**, follow-up stream sediment geochemistry and mapping is in progress over the targets identified from the 10,000 line km airborne EM, magnetic and radiometric survey at the Kerkasha and Akordat North exploration licences.

The Afar JV with Stratex International has commenced diamond drilling at the Megenta project in Ethiopia. As part of this agreement, Thani Ashanti has a minimum exploration commitment of US\$1M, and can earn 51% interest in the licences by spending US\$3M. Results from the upper portion of the first hole contain several ~0.5 g/t Au results and some >1 g/t gold intercepts from narrow veins. The results are consistent with the envisaged mineralisation model. AngloGold Ashanti increased its stake in Stratex International through a \$4.9M private placement for an 11.5% interest in the company, meeting the SARB investment requirements.

Twenty four exploration licence applications were submitted in Saudi Arabia. The applications form a contiguous block of 2,356km².

BROWNFIELDS EXPLORATION

In **South Africa**, five deep surface drilling sites were in operation during the quarter, three on the Moab Khotsong Mine and two at Mponeng (WUDLs).

Deflection drilling was completed from MMB5 and the borehole was stopped late in the quarter. Rigging down and rehabilitation is underway. Borehole MGR8 continue advancing with Deflection 9 reaching a depth of 2 773m. The drilling of the long deflection in MGR6 continued despite continuing in-hole problems. The hole is currently at a depth of 2 647m. MHH2 is sited on the Hormah Prospecting Rights Area, south of Project Zaaiplaats. Percussion drilling is imminent for MHH2. Percussion drilling at MCY6 is also still to start.

UD51 advanced from 1 436.4m to 1 840m, despite delays due to heavy losses of drilling water. UD59 advanced to 705.64m and is experiencing problem with unplanned deviation. UD60 is on hold until a machine and derrick is available.

In **Tanzania**, 20 689m of drilling was completed at Geita. Drilling into Nyankanga Cut 6 confirmed thick, high grade mineralisation. Infill drilling was also conducted for Nyankanga Cut 7 and 8, Geita Hill and Star and Comet and continued to prove up the continuity and grades of all three deposits. Extension drilling at Nyankanga Block 1 and 2 as well as Cut 8 to test for underground extensions continued drilling the targeted main Nyankanga ore zone with a high level of success

Regional Exploration drilling continued at the Kukuluma, Kibugwe and Kukuluma South Prospects. An IP program was commenced over Star and Comet as was a ground EM survey. Ground EM surveys were also completed at Kibugwe and Kukuluma South.

A collaborative research initiative between Geita and James Cook University kicked off during the quarter. The aim of the project is to better understand the Geita mineralising system.

At Siguiri in **Guinea** a total of 41 913m drilling was completed. Exploration focussed on the upgrading of oxide Mineral Resources continued at the Kozan Central and West, Sintroko Push back 2 and Sokunu. Results remain encouraging particularly in the Kozan Central West area.

Delineation drilling was completed at Sokunu Deeps. Reconnaissance drilling continued at Balato NW and started at Sintroko West, Komatiguia East, Sokuno East and Silakoro. A program was initiated to test the gold potential in the hard rock below the Tubani pit.

Geochemical soil sampling continued in Block 1.

At Obuasi in **Ghana**, 1 126m of core drilling was completed and six mineralised reefs intersected. At Iduapriem 11 472m of drilling was completed in a program designed to test the grade of the old Teberebie Leach pads. Planning continued around a program to test the underground potential of the orebody at depth before the end of the year.

Progress was made in the **Democratic Republic of the Congo** on the Mongbwalu project, with DD holes (1 561m) drilled at Kanga and RC holes (546m) drilled for water monitoring at the Adidi Resource area.

At Kibali, drilling was focused primarily on feasibility work and underground infrastructure with holes completed for geotechnical studies (shaft hole, declines and underground stopes) and hydrogeological modeling. A number of sterilisation holes were also drilled.

The deep hole designed to test the down plunge extension to mineralisation of the KCD deposit was stopped at a depth of 1 347m and successfully intersected the 3000 and 5000 series of lodes. Drilling in the Lake project continued. At Kibali South pitting, trenching and mapping continued to develop the geological understanding of the prospect.

At Yatela and Sadiola in **Mali**, 17 761m of drilling was completed. At Yatela, a regional mapping exercise was completed and an exploration workshop was convened on site. The aim of which was to ensure that nothing was missed as the mine approaches its end of life. The PDRM commenced a termite sampling program across the lease area. RC (918m) drilling continued at Alamoutala. IP geophysical programs were also completed at Alamoutala and KW18

The majority of the drilling over the quarter took place around two IP targets near to Tambali where 6 900m of RC was drilled. At Neketo RC (5 728m) and DD (702m) was drilled to complete the program. Initial RC (1 618m) drilling was completed at Sadiola NW and 349m of DD was completed at Manndokoto. Drilling (1 511m) for metallurgical testwork was completed at FN2/3.

The ground gravity survey over the Sadiola concession was completed. IP surveys were conducted over the FE3 stratigraphy and Tambali areas. Downhole IP was tested in 2 Tambali holes and interpretation is underway.

At Navachab in **Namibia** 7 328m was drilled, predominantly over the hangingwall, North Pit 2 footwall and footwall vein extension areas. A program to test the down plunge extent of the North Pit 2 Footwall veins was initiated during the quarter.

At AGACSM in **Brazil**, drilling (19 670 m) was conducted at the Cuiabá Mine, CdS I Surface, CdS II Surface and CdS II underground programs. In the Iron Quad Step Change Project, soil sampling work continued at Pari while at Bento Rodrigues the stream sediment sampling program continued to indicate significant potential. Drilling continued at the Mariana target which ground water and broken ground causing the abandonment of the first two holes. Drilling continues.

At MSG, the fast track exploration program is in progress to evaluate the regional potential of the Joint Venture. The program is targeted at Pequizão, Palmeiras, Structure NW and Mina Nova areas from surface and at the Mina III and Mina Nova (Orebody XI) from underground. 23 858m of diamond drilling was completed and targeted primarily the Pequizão, Palmeiras and Structure NW target areas.

At CVSA in **Argentina**, 9 351m of RC and 10 683m of diamond drilling was completed. Several veins were drilled with encouraging results in both vein texture encountered and assay results. Deep core holes to test down dip potential generally proved successful particularly in the Lucy and Lilliana Veins were high grade gold and silver intercepts were obtained at depths up to 320m. Also anomalously high lead and zinc values were intersected in the El Lazo vein to the south of the lease. Trenching and channel sampling to facilitate drilling targeting was active on 7 different veins.

In the **United States of America** at Cripple Creek and Victor, 7 724m were drilled as part of the MLE2 exploration program at WHEX and Grassy Valley while 5 640m were drilled as part of the High Grade Study at Main Cresson, Grassy Valley and the Control Point-Schist Island pit.

In **Colombia** at Gramalote, infill holes (3 848m) were drilled at Gramalote Central. Exploration drilling focused on Monjas East, Monjas West, Topacio North and Trinidad targets with 5 684m drilled. Several significant intercepts were obtained from the reconnaissance drilling.

Soil sampling and condemnation drilling was initiated in the Palestina Valley.

At La Colosa, drilling progressed well with 12 827m drilled and 27 boreholes completed. Four rigs are now operating on site. A number of very significant intersections were obtained which will add significantly to the overall mineralised system.

At Sunrise Dam in **Australia**, exploration continued to extend the known Mineral Resources underground and target and follow-up on significant intercepts returned from the deeper areas below the current workings (Vogue Prospect). This work continued to be delayed and interrupted due to the significant rain event that Sunrise Dam experienced in the last quarter. The drilling for the period totaled 7 436m.

Early stage exploration work was conducted on a number of surface prospects both on and adjacent to the mine.

At Tropicana, exploration targeted the Swizzler target which lies between the Tropicana and Havana deposits (2 210m) and the Havana Deeps (5 541m). A 16x6km detailed gravity survey was completed across the area and a geological interpretation is underway.

AngloGold Ashanti/De Beers Joint Venture

South African Sea Areas: The Phase 1 geophysical and vibrocoring program was completed during the quarter. Detailed interpretation of the geophysical data is progressing well. The assay results for the vibrocoring program and the historic grab samples are awaited. Planning for the Phase 2 sampling program is well advanced and environmental permission are awaited.