ANGLOGOLD ASHANTI LTD
Form 424B5
September 15, 2010

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-161634

SUBJECT TO COMPLETION, DATED SEPTEMBER 14, 2010

Prospectus Supplement to Prospectus dated April 20, 2010

15,773,914 Ordinary Shares

AngloGold Ashanti Limited

We, AngloGold Ashanti Limited, are offering an aggregate of 15,773,914 of our ordinary shares, whether in the form of ordinary shares or American depositary shares representing ordinary shares, or ADSs. The public offering price per ordinary share is ZAR and the public offering price per ADS is $.

We have granted the underwriters an option exercisable for a period of 30 days from the date of this prospectus supplement to purchase up to 2,366,086 additional ordinary shares, in the form of ordinary shares or ADSs, at the initial price to investors, less the underwriting discounts, to cover over-allotments, if any.

Our ADSs, each currently representing one ordinary share, are listed on the New York Stock Exchange, or NYSE, under the symbol AU . Our ordinary shares are listed on the JSE Limited, or the JSE, under the symbol ANG and on other stock exchanges in London, Paris and Ghana and in the form of depositary interests in Brussels, Ghana and Australia. On September 13, 2010 the closing price of our ordinary shares on the JSE was ZAR 321.90 per ordinary share and the closing price of our ADSs on the NYSE was $44.59 per ADS.

Concurrently with this offering of ordinary shares and ADSs, under a separate prospectus supplement, AngloGold Ashanti Holdings Finance plc, our indirect wholly-owned subsidiary, is offering $ million aggregate principal amount (or $ million aggregate principal amount if the underwriters of that offering exercise their over-allotment option with respect to that offering in full) of % mandatory convertible subordinated bonds due 2013 that will be fully and unconditionally guaranteed by us on a subordinated basis and mandatorily convertible into our ADSs (or, in certain circumstances, the cash value thereof). The mandatory convertible bonds will initially be convertible into a maximum of 15,773,914 ADSs (or a maximum of 18,140,000 ADSs in total if the underwriters in that offering exercise their over-allotment option with respect to that offering in full). Neither the completion of this offering nor of the mandatory convertible subordinated bonds offering will be contingent on the completion of the other.

See Risk Factors starting on page S-16 of this prospectus supplement to read about factors you should consider before buying our ordinary shares.

Neither the Securities and Exchange Commission, or SEC, nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per ADS	Total(1)(2)
Initial price to investors	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

(1) Assuming all ordinary shares offered hereby are sold in the form of ADSs.

(2) Assuming the underwriters do not exercise their over-allotment option.

Delivery of the ordinary shares and ADSs against payment is expected to occur on , 2010.

Joint Bookrunners

UBS **Morgan Stanley**

Co-Bookrunners

Citi **Deutsche Bank**

Prospectus Supplement dated , 2010

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Prospectus Supplement

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of ordinary shares and ADSs of AngloGold Ashanti Limited, or AngloGold Ashanti. The second part, the accompanying base prospectus, presents more general information. Generally, when we refer only to the prospectus , we are referring to the base prospectus, including the documents incorporated by reference in the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in this document or in one to which we have referred you in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell these securities. The information in this document may be accurate only on the date hereof.

Unless the context requires otherwise, in this prospectus supplement, the Company , we or us refers to AngloGold Ashanti Limited and its consolidated subsidiaries.

In this prospectus supplement, references to rands, ZAR and R are to the lawful currency of the Republic of South Africa, references to Australian dollars and A$ are to the lawful currency of Australia, references to US dollars, dollars and $ are to the lawful currency of the United States, references to British pounds are to the lawful currency of the United Kingdom, references to cedis are to the lawful currency of Ghana, references to Brazilian real and BRL are to the lawful currency of Brazil and references to Argentinean pesos are to the lawful currency of Argentina.

In connection with the offering, the underwriters are not acting for anyone other than us and they will not be responsible to anyone other than us for providing the protections afforded to their clients or for providing advice in relation to the offering.

WHERE YOU CAN FIND MORE INFORMATION

We file annual and other reports with the SEC. The SEC maintains a website (*http://www.sec.gov*) on which our annual and other reports are made available. Such reports may also be read and copied at the SEC s public reference room at 100 F Street, N.E., Washington DC 20549. Please call the SEC at +1-800-SEC-0330 for further information on the public reference room. You may also read and copy these documents at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement includes and incorporates by reference forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act , and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act . All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: our strategy to reduce our gold hedging positions including the extent and effect of the reduction of our gold hedging positions; the economic outlook for the gold mining industry; expectations regarding gold prices, production, cash costs and other operating results; growth prospects and outlook of our operations, individually or in the aggregate, including the completion and commencement of commercial operations at our exploration and production projects; the completion of announced mergers and acquisitions transactions; our liquidity and capital resources and expenditures; outcome and consequences of any pending litigation proceedings; and our Project One performance targets. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as

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believe , aim , expect , anticipate , intend , foresee , forecast , likely , should , planned , may , estim similar words and phrases. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

The risk factors described herein could affect our future results, causing these results to differ materially from those expressed in any forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on the future results.

You should review carefully all information, including the financial statements and the notes to the financial statements, included in this prospectus supplement and all documents incorporated herein by reference. The forward-looking statements included in this prospectus supplement are made only as of the last practicable date and the forward-looking statements in the documents incorporated by reference are made only as of the last practicable date before the filing of such documents. We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus supplement or to reflect the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are qualified by the cautionary statement in this section.

NOTICE TO UK INVESTORS

This prospectus supplement is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the Financial Promotion Order), (ii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, being, among other things, high net worth companies and/or unincorporated associations, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000 (as amended) (the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons). This prospectus supplement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus supplement relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO EEA INVESTORS

This prospectus supplement has been prepared on the basis that any offer of securities in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of securities. Accordingly, any person making or intending to make any offer in that Relevant Member State of securities which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case,

in relation to such offer. Neither the Company, nor the underwriters have authorized, nor do they authorize, the making of any offer of securities in circumstances in which an obligation arises for the Company or any underwriter to publish or supplement a prospectus for such offer.

ENFORCEMENT OF CERTAIN CIVIL LIABILITIES

We are incorporated under the laws of South Africa. All except one of our directors and one of our officers, and the experts named herein, reside outside the United States, principally in South Africa. You may not be able, therefore, to effect service of process within the United States upon those directors and officers with respect to matters arising under the federal securities laws of the United States.

In addition, substantially all of our assets and the assets of our directors and officers are located outside the United States. As a result, you may not be able to enforce against us or our directors and officers judgments obtained in US courts predicated on the civil liability provisions of the federal securities laws of the United States.

We have been advised by Taback & Associates (Pty) Limited, our South African counsel, that there is doubt as to the enforceability in South Africa, in original actions or in actions for enforcement or judgments of US courts, of liabilities predicated on the US federal securities laws.

NON-GAAP FINANCIAL MEASURES

In this prospectus supplement and in documents incorporated by reference herein, we present financial items such as total cash costs , total cash costs per ounce , total production costs and total production costs per ounce that have bee determined using industry standards promulgated by the Gold Institute and are not measures under US GAAP. An investor should not consider these items in isolation or as alternatives to any measure of financial performance presented in accordance with US GAAP either in this document or in any document incorporated by reference herein.

While the Gold Institute has provided definitions for the calculation of total cash costs , total cash costs per ounce , total production costs and total production costs per ounce , the definitions of certain non-GAAP financial measures included herein may vary significantly from those of other gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. However, we believe that total cash costs and total production costs in total by mine and per ounce by mine are useful indicators to investors and management of a mine s performance because they provide:

- an indication of a mine s profitability, efficiency and cash flows;
- the trend in costs as the mine matures over time on a consistent basis; and
- an internal benchmark of performance to allow for comparison against other mines, both within the AngloGold Ashanti group and of other gold mining companies.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we submit to it, which means that we can disclose important information to you by referring you to certain documents filed with or furnished to the SEC that are considered part of this prospectus through incorporation by reference. Information that we file with or furnish to the SEC in the future and incorporate by reference will automatically update and supersede the previously filed or furnished information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a),

13(c), 14, or 15(d) of the Exchange Act other than any portions of the respective filings that were furnished, under applicable SEC rules, rather than filed, until we complete our offering:

our annual report on Form 20-F for the year ended December 31, 2009 filed with the SEC on April 19, 2010, as amended by our Form 20-F/A filed with the SEC on May 18, 2010 (together, our 2009 Form 20-F);

our Form 6-K filed with the SEC on April 20, 2010 containing pro forma financial information for the year ended December 31, 2009 related to the sale of our 33.33% interest in the Boddington joint venture;

our Form 6-K filed with the SEC on August 11, 2010 containing our audited consolidated financial statements for the years ended December 31, 2007, 2008 and 2009 and as at December 31, 2008 and 2009, prepared in accordance with US GAAP, and related management s discussion and analysis of financial condition and results of operations (our 2009 US GAAP Results Release), which supersedes the statements in Item 5 and Item 18 of our 2009 Form 20-F and which you should review instead of such superseded statements in our 2009 Form 20-F; and

our Form 6-K filed with the SEC on September 7, 2010 containing unaudited condensed consolidated financial information as of June 30, 2010 and December 31, 2009 and for each of the six-month periods ended June 30, 2010 and 2009, prepared in accordance with US GAAP, and related management s discussion and analysis of financial condition and results of operation (our 2010 Second Quarter Report).

You may obtain a copy of these filings at no cost by writing or telephoning us at the following address:

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7400 E. Orchard Road
Suite 350
Greenwood Village, CO 80111
Telephone: +1 303-889-0753
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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the documents incorporated by reference herein. This summary is not complete and does not contain all the information that may be important to you. Potential investors should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully, especially the risks of investing in our ordinary shares and ADSs discussed under Risk Factors .

Company Overview

We are a global gold company with a diversified portfolio of assets in many key gold producing regions. As at December 31, 2009, we had gold reserves of 68.3 million ounces. For the year ended December 31, 2009, we had consolidated revenues of $3,784 million (which excludes revenue from by-products and interest earned), gold production of 4.6 million ounces and total cash costs of $534 per ounce.

We were formed following the consolidation of the gold interests of Anglo American plc into a single company in 1998. At that time, our production and reserves were primarily located in South Africa (97% of 1997 production and 99% of reserves as at December 31, 1997) and one of our objectives was to achieve greater geographic and ore body diversity. Through a combination of mergers, acquisitions, disposal initiatives and organic growth, and through the operations in which we have an interest, we have developed a high quality, well diversified asset portfolio, including:

- production from 20 operations in ten countries: Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States;

- gold production and reserves for the year ended December 31, 2009 of 61% and 56%, respectively, from operations outside South Africa; and

- gold production from a broad variety of ore body types as well as a variety of open-pit and heap-leach (42%), underground (54%) and surface and dump reclamation (4%) operations.

Our strategy in respect of this portfolio and our current strategic objectives are discussed below.

We were incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and in South Africa we are subject to the South African Companies Act 61 of 1973, as amended. Paragraph 2 of our memorandum and articles of association provides that our main business is to carry on gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold. On April 26, 2004, we acquired the entire issued share capital of Ashanti Goldfields Company Limited and changed our name to AngloGold Ashanti Limited. Our principal executive office is located at 76 Jeppe Street, Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107), South Africa (Telephone +27 11 637-6000). Our general website is at www.anglogoldashanti.com. Information contained in our website is not, and shall not be deemed to be, part of this prospectus supplement.

Strategy

Our business strategy has three principal elements:

- managing the business;

portfolio optimization and capital deployment; and

growing the business.

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Managing the Business. We seek to enhance shareholder value by endeavoring to plan and implement operating strategies that identify optimal ore body capability, applying appropriate methods and design to ensure efficient operating performance, detailed planning and scheduling, together with the application of best practices across all aspects of the production and service activities associated with each asset. Successfully managing the business means delivering on our commitments, which includes seeking to:

- ensure safe work practices and a healthy workforce (safety is our first value, which is reflected in all leadership behaviors and is the foundation on which we build all value-enhancing processes in our business);
- increase and consistently generate returns on capital of above 15%;
- meet production targets on time and within budget;
- manage our costs and associated escalations (we intend to manage our input costs in order to maximize margins and returns on capital employed over the life cycle of each of our projects); and
- maximize revenues, including by reducing our hedge book. See Hedge Book Reduction below.

We are in the process of implementing Project One, an initiative to introduce a common business process across all aspects of our operations. Project One is built upon two principal focus areas: the System for People and the Business Process Framework . The System for People is a managerial effectiveness model designed to bring about effective working relationships based on trust and a culture of accountability at all levels of our organization, and the Business Process Framework is a rigorous model focused on short- and long-term planning and execution of work.

Project One underpins our efforts to achieve the following strategic goals in respect of our existing mines over the five-year period from 2009 to 2013:

- a 70% reduction in accident rates;
- a 30% improvement in overall productivity (in terms of ounces of gold produced per employee);
- a 60% reduction in reportable environmental incidents;
- a 20% increase in gold production;
- a 25% reduction in real IFRS total cash costs per ounce; and
- an increase in average return on capital to above 15%.

The Company-wide roll out of Project One continues, but it has already resulted in noticeable improvements in some of the operations where it was first implemented, particularly at our Geita mine in Tanzania (where Project One initiatives have resulted in approximately a 30% increase in plant throughput, approximately a 15% increase in truck fleet availability and approximately a 40% increase in plant recovery, since February 2009) and at our Mponeng mine in South Africa (increased plant throughput and improved recovery, which led to production for the first quarter of 2010 to exceed our production target by more than 10%).

The Project One performance objectives are to be measured against our performance in 2008 (except in the case of accident rates which is to be measured against the three-year average for the period 2006 to 2008). Achieving these performance objectives will be impacted by any portfolio changes and is subject to a number of potentially offsetting factors and risks, uncertainties and other factors, some of which are beyond our control, any of which may prevent or delay us from achieving our stated goals. Certain of such risks, uncertainties and other factors are described in Risk Factors . See also Note Regarding Forward-Looking Statements .

Portfolio Optimization and Capital Deployment. We regularly review our portfolio of assets to ensure it meets or exceeds specified risk-adjusted rates of return. We also seek to enhance shareholder value by optimizing capital deployment.

Portfolio Optimization. We analyze our portfolio on both an absolute basis and relative to other gold companies in our peer group. When conducting this analysis, we identify the strengths and weaknesses of our portfolio, with a particular focus on portfolio risk.

Optimizing Capital Deployment. We seek to allocate capital to leverage maximum value and returns from existing assets and growth opportunities. We review and rank internally each asset and project as part of the annual business planning process with the goal of most efficiently and effectively deploying capital across our existing assets. Assets that no longer meet our criteria may be targeted for sale, but only at attractive valuations.

Growing the Business. We seek to further enhance shareholder value by:

leveraging our current ground holdings and asset positions through greenfields exploration and brownfields exploration and development;

selectively pursuing merger and acquisition opportunities; and

maximizing the value of other commodities within our existing and developing asset portfolio.

Greenfields Exploration and Brownfields Exploration and Project Development. We prioritize organic growth through greenfields exploration, brownfields exploration and project development, leveraging our current ground holding and asset position as the most value-efficient path to growth.

During 2010, greenfields exploration activities are being undertaken in five regions: the Americas (including Canada and Colombia); Australia; Asia (including China and the Solomon Islands); Sub-Saharan; West and East Africa (including the Democratic Republic of Congo, or DRC , Gabon, Guinea and Tanzania) and the Middle East/North Africa (including Egypt and Eritrea).

Current key greenfields development initiatives approved or under consideration include the following projects:

Australia. The Tropicana joint venture, in which we hold a 70% interest, covers approximately 12,500 square kilometers and is located to the east and northeast of Kalgoorlie in Western Australia. Together with ongoing exploration, a pre-feasibility study was completed for Tropicana in the second quarter of 2009 and the favorable outcome of this study has resulted in a decision to proceed with a feasibility study which is scheduled for completion in the fourth quarter of 2010 when the partners will make an investment decision. In July 2010, the Western Australia Environmental Protection Agency released its report and recommendation on the project, and it is anticipated that the State and Federal ministers will announce their decisions by year-end. If the necessary regulatory and board approvals are obtained by the end of 2010, we expect that construction will start in early 2011 and gold production would begin in the first half of 2013. Finalization of capital and operating costs are in progress, and development of the implementation schedule and construction contracting strategies is underway. We have estimated that Tropicana would produce between 330,000 and 410,000 ounces per annum (70% of which is attributable to us) over its life. As part of the Tropicana project, scoping studies are expected to be completed in the second half of this year at both the Havana Deeps deposit and at the Boston Shaker deposit. The Havana Deeps prospect represents the potential higher grade underground extension of the Havana open-pit ore body which already forms part of the Tropicana project. The Boston Shaker deposit, located approximately 500 meters northeast of Tropicana, has now been defined over a 700-meter strike length, is open down dip and may be included in the Tropicana project. In addition to the Tropicana project, reconnaissance exploration drilling is also continuing in parallel within parts of the remaining 12,500 square kilometers area of the Tropicana joint venture.

Colombia. In Colombia, we have developed a 3 level participation model comprising our own exploration initiatives, exploration joint ventures with established players and equity positions in other exploration companies that are also active in Colombia. Our land holding position in Colombia, which includes tenements held and under application and including tenements held with our joint venture partners, is approximately 16,100 square kilometers. Principal exploration initiatives in Colombia include our wholly-owned La Colosa deposit as well as the Gramalote joint venture with B2Gold Corp. (in which we now own a 51% interest following our recent acquisition of an additional 2% interest from B2Gold Corp pursuant to the Gramalote joint venture agreement). On October 20, 2009, we received a resolution from the Ministry of the Environment and Territorial Development of Colombia, which allowed for initiation of exploration permitting procedures for La Colosa before the regional environmental authority, Cortolima. Drill preparation work and regional exploration (including mapping and sampling) is in progress and further exploration drilling as part of ongoing pre-feasibility studies commenced in August 2010. Also in August 2010, we entered into an amendment agreement to the Gramalote joint venture agreement with B2Gold Corp. pursuant to which we assumed operatorship of the Gramalote joint venture. See Recent Developments Amendment of the Gramalote Joint Venture Agreement . Feasibility studies and further exploration drilling will now commence at Gramalote in September 2010 and are planned to continue into 2011 and 2012 with the goal of completing a final feasibility study by the end of 2012.

DRC. After the findings of the DRC Mineral Review Commission were completed in February 2009, we engaged with the DRC government and L Office des Mines d Or de Kilo-Moto, or OKIMO (the DRC state gold mining company and shareholder with us in Ashanti Goldfields Kilo (AGK)). We negotiated a definitive joint venture agreement and supporting documentation with OKIMO for the development, in accordance with the DRC mining code, of the AGK project in which we hold an 86.22% interest, as well as the transfer of exploitation permits covering an area of 5,866 square kilometers as part of the original Concession 40 tenement to AGK. We entered into these agreements on March 20, 2010. Following the conclusion of these agreements, we, in partnership with OKIMO, are scheduled to complete a feasibility study at the Mongbwalu-Adidi project in the first quarter of 2011. A 20,000 meter combined drilling program is currently underway at Mongbwalu-Adidi and a further 5,000 meter program is planned for early phase drill-testing of regional targets within the broader 5,866 square kilometer area and is expected to commence during 2010. In addition to our 86.22% interest in AGK, we also hold a 45% interest in the Kibali gold project (45% held by Rangold Resources Limited and 10% by OKIMO) where, as at December 31, 2009, our 45% attributable share of the ore reserves of Kibali was 4.14 million ounces and where exploration and feasibility studies continue. An updated feasibility study, which will optimize the mining plan and the size of the plant, is on track for completion by the end of 2010. Pre-construction preparations have run ahead of schedule given positive interaction with local communities and rapid development of associated infrastructure allowing the start of construction to be brought-forward by six months to mid-2011. The project is on track to begin gold production in January 2014.

We intend to leverage our first mover positions in greenfields exploration, with the focus on building coherent regional portfolios, while continuing to access our land positions utilizing, where possible, the 3 level participation model as successfully implemented in Colombia.

Brownfields exploration, which is aimed at identifying ounces for production at or around existing mines, is being undertaken around all of our current operations. In 2009, the most successful brownfields exploration results from our existing programs were achieved in Guinea, Mali, South Africa and the United States. In the first six months of 2010, our most successful brownfields exploration results were achieved at Sunrise Dam in Australia, at our Siguiri mine in Guinea and in Brazil, particularly at Córrego do Sítio (including the Saõ Bento mine).

Current key brownfields development initiatives approved or under consideration include the following projects:

Mponeng Ventersdorp Contact Reef, or VCR, below 120 Level project (South Africa): Approved in February 2007, this project entails exploiting the VCR ore reserves located

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from 120 Level to 126 Level at Mponeng and is estimated to recover 2.7 million ounces of gold with first production scheduled for 2013 and full production in 2015.

Mponeng Carbon Leader Reef, or CLR, below 120 Level project (South Africa): A feasibility study is in progress to exploit the CLR ore reserves located below 120 Level at Mponeng. Estimates are that 14.7 million ounces of gold could be recovered from this project, which we expect will be developed in the medium term, with annual production of approximately 450,000 ounces.

Moab Khotsong phase II (Zaaiplaats) (South Africa): A feasibility study has been completed on the optimal extraction of the ore body within the lower mine area of Moab Khotsong which, if developed, will further extend the life of Moab Khotsong recovering an estimated 5.1 million ounces of gold with an average annual production of approximately 370,000 ounces. We expect that this project will be developed in the medium term with further underground exploration and some pre-development approved by our board of directors in August 2010 to commence in the second half of 2010.

Cerro Vanguardia (Argentina): The underground mining project at Cerro Vanguardia in Argentina will involve underground mining below seven of the deeper high-grade open pits that have been or are currently being mined by way of open-pit techniques. Underground mining is expected to be cheaper than open pit mining in these deeper pits. A feasibility study, including trial mining below one of the existing pits, is scheduled to be completed in the second half of 2010. If approved by our board of directors in the short term following the completion of the feasibility study, we expect that this project, which could produce 613,000 ounces of gold and 6.1 million ounces of silver over the anticipated life of the project, will be developed from early 2011. We may also consider similar underground production at other pits at Cerro Vanguardia in the future. In addition, a feasibility study for a heap leach project at Cerro Vanguardia, based on the treatment of low grade ore through a small heap leaching operation, was completed in 2009. The feasibility study indicated that Cerro Vanguardia s annual gold production could rise by an additional 20,000 ounces per annum through the employment of this process. The project was approved by our board of directors in February 2010 and production is scheduled to begin in the second quarter of 2011.

Córrego do Sítio (including the Saõ Bento mine) (Brazil): We acquired the former Saõ Bento property from Eldorado Gold Corporation in December 2008 and subsequently renamed it AngloGold Ashanti Córrego do Sítio Mineraçaõ. This acquisition resulted in the consolidation and doubling in size of the Córrego do Sítio project (Phase II), adding mineral potential and infrastructure. The project plan for Phase I of the project (which includes only the original Córrego do Sítio property) covers potential mining of the Cachorro Bravo, Laranjeiras and Carvoaria Velha ore bodies. The Córrego do Sítio Phase I feasibility study, which included an assessment of the metallurgical process for production of 140,000 ounces of gold annually and 1.9 million ounces over the life of the project, has been finalized and the project was approved by our board of directors in May 2010. Detailed engineering on the Córrego do Sítio project commenced immediately after the project was approved. Underground development is progressing on schedule and various environmental licenses have been obtained. The refurbishment and upgrade of the Saõ Bento plant (also part of the 2008 acquisition) is currently in process, while the contracts for the design and manufacture of the autoclaves have already been awarded. Production is expected to commence in early 2012.

Lamego (Brazil): A feasibility study for the Lamego project was approved by our board of directors in September 2009 and is currently being implemented. The planned ramp up in production at Lamego resulted in production of 18,000 ounces in 2009, with 33,000 ounces expected in 2010 and full production of 48,000 ounces expected in 2011. We estimate that Lamego will produce approximately 469,000 ounces of gold over nine years.

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Nova Lima Sul (Brazil): The objective of this project is to mine a number of target areas in the vicinity of AngloGold Ashanti Brazil Mineraçaõ s current operations and process the ore utilizing idle capacity at AngloGold Ashanti Brazil Mineraçaõ s Queiroz processing plant. The project consists of three phases and a feasibility study for phase 1 of the project, which we estimate has the potential to produce approximately 880,000 ounces of gold, is expected to be completed in early 2011. If phase 1 is approved by our board of directors following completion of the feasibility study, development of this phase of the project will then commence. The feasibility studies for phases 2 and 3 of the project are expected to be completed by the end of 2013.

Obuasi and Obuasi Deeps (Ghana): Brownfields exploration and studies for the exploitation of the vast ore body below 50 Level at Obuasi continue, in addition to business improvement initiatives and other mine design and operating plans to establish sustained improvements in operational performance and efficiencies in existing operations above 50 level at Obuasi.

Sadiola Deeps (Mali): The objective of this project is to treat the hard sulphide ore from the main pit through a new plant in parallel with the current oxide plant thus increasing the overall processing capacity at Sadiola. Iamgold, our 41% partner in Sadiola, is currently managing a feasibility study for Sadiola Deeps, which is expected to be completed in late 2010.

Mine Life Extension projects at Cripple Creek & Victor, or CC&V (United States): The required permits have been granted from the State of Colorado and Teller County and construction has begun on the first mine life extension project at the Cripple Creek & Victor mine as approved by our board of directors in October 2008, which includes the development of new sources of ore and an extension to the existing heap-leach facility. This project has been accelerated and it is now scheduled to be commissioned by the end of 2010 and is expected to increase the mine life, resulting in the recovery of 1.4 million ounces of gold. In addition, development drilling continues to define areas of interest for which engineering analysis and permitting requirements are being evaluated in a feasibility study for a second mine life extension project at the Cripple Creek & Victor mine.

Mergers and Acquisitions. We continue to pursue value-accretive acquisition opportunities with a view to enhancing our ground-holding asset positions and our regional presence as well as achieving further growth in our business. Recent acquisitions have included transactions that have resulted in our acquisition of a 45% interest in the Kibali gold project (completed in August 2009 and December 2009) and the acquisition of an additional 3% interest in the Sadiola gold mine (completed in December 2009).

Other Commodities. We produce uranium, silver and sulfuric acid as byproducts of our existing gold production. We are increasing our uranium production with the upgrade of our existing uranium plant located at our Vaal River operations in South Africa, which is expected to be completed in 2012, as well as the ramp-up of gold production at Moab Khotsong (with a similar increase and ramp-up of uranium production from this mine).

Hedge Book Reduction

During 2009, we continued to execute our strategy to reduce our outstanding gold hedging position, which resulted in our decision to accelerate the settlement of certain outstanding gold hedging positions. These accelerated settlements, together with the normal scheduled deliveries and maturities of other gold derivatives positions during 2009 and the first half of 2010, reduced the total committed ounces from 5.99 million ounces as at December 31, 2008 to 3.22 million ounces as at June 30, 2010 and 2.72 million ounces as at September 14, 2010.

The majority of the gold derivative positions affected by the accelerated settlements during 2009 were previously designated as normal purchase and sale exempted, or NPSE , contracts, allowing

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them to be accounted for off balance sheet in prior periods. However, as a result of the accelerated cash settlement of certain of the NPSE contracts during 2009, the FASB Accounting Standards Codification, or ASC, guidance on derivatives and hedging led us to evaluate the continuing designation of, and accounting treatment for, the remaining NPSE contracts that were not part of the accelerated settlement. As we determined to continue to consider alternatives to reduce our outstanding gold derivatives position in future periods including, where appropriate, the accelerated settlement of contracts previously qualifying for the NPSE designation, management concluded, in accordance with the FASB ASC guidance, to re-designate all remaining NPSE contracts as non-hedge derivatives and to account for such contracts at fair value on the balance sheet with changes in fair value accounted for in the income statement each period. The income statement impact of the accelerated settlement and related re-designation of remaining NPSE contracts was $797 million and $556 million, respectively, which were incurred in 2009.

We estimate that our current residual hedging position would likely result in our realizing an effective discount to the gold spot price of approximately 6-11% until 2014 and an effective discount of less than 1% in 2015 if the hedge book were not restructured, assuming an annual production of 5.0 million ounces and a spot price of between $950-$1,450 per ounce. We believe that the outlook for the gold price remains robust, with strong physical and investment demand coupled with diminishing global mine supply. We have therefore decided to seek to accelerate the elimination of our residual gold hedging position and maximize our unhedged leverage to the spot gold price of our future gold production.

We intend to effectively eliminate all our remaining gold hedging positions by early 2011, market conditions permitting, including by procuring early settlement of existing contracts that mature in 2010 and beyond, or by purchasing off-setting derivatives, or both. We believe that this would have the following benefits:

- We would be fully exposed from 2011 to the spot price of gold in what we expect to be a strong gold price environment.

- We expect to realize higher profit margins and cash flows from 2011, as a result of the low committed prices under existing contracts that would be removed.

- Our strategic position would be enhanced with a more robust capital structure to fund the growth initiatives described under Strategy Growing the Business above as a result of the expected improvement in profitability and cash flow. On a combined basis, we believe that these growth initiatives, which we estimate will require project capital expenditure (excluding stay in business and ore reserve development capital expenditure) of approximately $2,450 million over the next three years, have the potential to add significantly to our ore reserves as well as the potential to increase our annual gold production from current levels. See Risk Factors Risks related to our results of operations and our financial condition as a result of factors specific to us and our operations We expect to have significant financing requirements.

Due to the low committed prices under our current hedge contracts (at an average price of less than $450 per ounce) relative to the current market price, the elimination of our hedging arrangements will require a significant capital commitment and we expect that it would have a significant one-off negative impact on our financial statements during each period in which the restructuring of our hedges is implemented.

The exact nature, extent and execution of our gold hedge restructuring will depend upon the successful completion of this offering and the Mandatory Convertible Bonds Offering (as defined below), as well as prevailing and anticipated market conditions at the time of restructuring, particularly prevailing gold prices and exchange rates and other relevant economic factors. As at June 30, 2010, the negative marked-to-market value of all hedge transactions making up our hedge position was approximately $2.41 billion.

This offering and the Mandatory Convertible Bonds Offering are together intended to raise sufficient funds, together with funds drawn from our existing credit facilities and cash on hand, to

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effectively eliminate our gold hedging position while maintaining a strong balance sheet to fund our development projects and exploration initiatives.

Concurrent Offering of Mandatory Convertible Bonds. Concurrently with this offering of ordinary shares and ADSs, under a separate prospectus supplement, AngloGold Ashanti Holdings Finance plc, or Holdings Finance, our indirect wholly-owned subsidiary, is offering $ million aggregate principal amount (or $ aggregate principal amount if the underwriters of that offering exercise their over-allotment option with respect to that offering in full) of % mandatory convertible subordinated bonds due 2013 that will be fully and unconditionally guaranteed on a subordinated basis by AngloGold Ashanti (the Mandatory Convertible Bonds) in a public offering (the Mandatory Convertible Bonds Offering). The Mandatory Convertible Bonds will initially be convertible into a maximum of 15,773,914 ADSs (or a maximum of 18,140,000 ADSs in total if the underwriters in that offering exercise their over-allotment option with respect to that offering in full). Neither the completion of the Mandatory Convertible Bonds Offering nor the completion of this offering will be contingent on the completion of the other.

The Mandatory Convertible Bonds will mature on September 15, 2013, subject to postponement in limited circumstances due to certain market disruption events (the stated maturity date). Unless previously converted, the Mandatory Convertible Bonds will automatically convert on the stated maturity date (or upon acceleration following an event of default) into a number of ADSs based upon a specified conversion rate. The Mandatory Convertible Bonds will bear interest at an annual rate of % payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing on December 15, 2010. Holdings Finance has the right to defer interest payments on the Mandatory Convertible Bonds and to extend any deferral period at any time and from time to time; *provided* that interest may not be deferred beyond September 15, 2013.

On the stated maturity date, unless previously converted, each Mandatory Convertible Bond will automatically convert into a number of ADSs equal to the sum of the daily conversion amounts (as defined below) over a 20-consecutive trading day observation period beginning on the 25th scheduled trading day immediately preceding September 15, 2013.

The daily conversion amount for each trading day of the observation period will be calculated as follows:

(i) if the daily volume weighted average price (VWAP) of our ADSs on such trading day is equal to or greater than $ (the threshold appreciation price), then the daily conversion amount per bond will equal 1/20th of the minimum conversion rate;

(ii) if the daily VWAP of our ADSs on such trading day is less than the threshold appreciation price but greater than $ (the initial price), then the daily conversion amount per bond will equal $2.50 divided by the daily VWAP on such trading day; and

(iii) if the daily VWAP of our ADSs on such trading day is less than or equal to the initial price, then the daily conversion amount per bond will equal 1/20th of the maximum conversion rate.

Minimum conversion rate means ($50.00 *divided by* the threshold appreciation price).

Maximum conversion rate means ($50.00 *divided by* the initial price).

The minimum conversion rate, maximum conversion rate, threshold appreciation price and initial price are subject to standard anti-dilution adjustments.

The holders of the Mandatory Convertible Bonds may elect early conversion, in whole or in part, at any time from the earlier of (i) 90 calendar days following the first original issuance date of the bonds and (ii) the date on which our shareholders approve the issue by us of ordinary shares upon an exercise of conversion rights under the Mandatory Convertible Bonds (the approval date) until the

25th scheduled trading day immediately preceding September 15, 2013 at the minimum conversion rate plus any deferred interest to, but excluding, the immediately preceding interest payment date.

Holdings Finance may convert the Mandatory Convertible Bonds, in whole but not in part, at any time after the approval date and on or before the 25th scheduled trading day immediately preceding September 15, 2013 at the maximum conversion rate plus a cash amount equal to accrued and unpaid interest (including any deferred interest) to, but excluding, the conversion date and the present value of all remaining interest payments.

Upon the occurrence of certain specified events constituting a fundamental change at any time after the initial issuance up to and including the 25th scheduled trading day immediately preceding September 15, 2013, holders of Mandatory Convertible Bonds will have the right to elect early conversion at a conversion rate designed to compensate the holders for the lost option value in connection with the fundamental change, plus a cash amount equal to accrued and unpaid interest (including any deferred interest) to, but excluding, the conversion date and the present value of all remaining interest payments.

The Mandatory Convertible Bonds are subject to automatic cash settlement until the approval date. In addition, after the approval date, if a fundamental change or conversion rate adjustment causes the maximum number of ADSs deliverable upon conversion of all then-outstanding Mandatory Convertible Bonds to exceed the number of ADSs that can be issued upon deposit of the ordinary shares we have reserved for such purpose, Holdings Finance will satisfy its obligations with respect to any subsequent conversion by delivering a combination of ADSs and a true-up cash amount.

Assuming no exercise of the over-allotment option with respect to the Mandatory Convertible Bonds Offering by the underwriters of that offering, we estimate that the net proceeds of the Mandatory Convertible Bonds Offering, after deducting the underwriting discount and estimated expenses, will be approximately $ million.

Recent Developments

Ghanaian Operational Issues. On February 19, 2010, we announced that processing operations had been suspended at our Iduapriem mine in Ghana pending the establishment of a temporary tailings storage facility at the mine. On March 30, 2010, we applied for a permit from the Environmental Protection Agency of Ghana, or EPA, for the construction of the tailings storage facility and, after having been suspended for ten weeks, gold production resumed at Iduapriem during April 2010. We are accelerating the establishment of a water treatment plant and a new tailings storage facility which we aim to commission in the third quarter of 2010 and early 2011, respectively.

On March 30, 2010, we announced that following suspension of the operation of gold processing at our Obuasi mine in Ghana pending the implementation of a revised water management strategy to reduce contaminants contained in its discharge, we had submitted details of the strategy to the EPA, the essence of which is to utilize existing infrastructure for the containment and treatment of water on site. With the support and guidance of the EPA, we intend to establish additional water holding and treatment facilities at Obuasi progressively over the 18-month period from April 2010. Gold processing at the mine has recommenced but the suspension of operations negatively impacted production in the second quarter of 2010 and future production through the end of 2010, and possibly to