ANGLOGOLDASHANTI

CHEVANING MINING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2017

CORPORATE INFORMATION

Country of incorporation	England and Wales (7 December 1981)
Domicile	United Kingdom
Nature of business and principal activities	Investment holding
Current Directors	K P E Davies
Registered office	Suite 31, Second Floor 107 Cheapside London EC2V 6DN
Holding company	AngloGold Ashanti Guinea Holdings Limited incorporated in the British Virgin Islands
Ultimate holding company	AngloGold Ashanti Limited incorporated in South Africa
Auditors	Emst & Young LLC Chartered Accountants Rose House 51–59 Circular Road Douglas Isle of Man IM1 1AZ
Joint Secretaries	K P E Davies St James's Corporate Services Limited
Company registration number	01602243

CONTENTS

STRATEGIC REPORT

The Directors present their strategic report for Chevaning Mining Company Limited (the "Company") for the year ended 31 December 2017.

1. Principal activities

The Company's principal activity during the year continued to be that of investment holding.

2. Business review and future developments

The profit for the year, after taxation, is US$55.25million (2016: US$51.00million). The financial results during the year are set out in the income statement and statement of comprehensive income. The Company expects to continue its activities in future periods.

Subsidiaries are involved in the exploration, development and mining of minerals.

The Company has prepared its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company's key financial indicators during the year were as follows:

	2017 ***$'000***	*2016* *$'000*	*Change* *%*
Turnover	**55,250**	51,000	+8
Shareholder's equity	**22,161**	22,161	-
Investment in Subsidiary at cost	**22,161**	22,161	-

In the Republic of Guinea, Siguiri produced 324,000oz at a total cash cost of US$725/oz for the year ended 31 December 2017 compared to 260,000oz at a total cash cost of US$784/oz for the year ended 31 December 2016. The production improvement was due to a 29% increase in recovered grade as a result of the mining of higher grade areas, which included the new Seguelen pit, compared to the previous period, partly offset by a decrease in tonnes treated. Total cash costs for the year decreased by 8%, mostly as a result of higher gold production, partly offset by the stockpile utilisation cost compared to additions in the previous year, and the once-off benefit of a favourable settlement of contractor charges in the previous period.

The total Mineral Resource increased from 6.1Moz in December 2016 to 7.3Moz in December 2017. The Year-on-year increase was as a result of cost improvements and exploration success in the sulphides at Saraya and Seguélén pits. The Mineral Resource was estimated at a gold price of US$1,400/oz (2016: US$1,400/oz). Siguiri's Ore Reserve decreased from 2.44Moz in December 2016 to 2.24Moz in December 2017. The annual decrease of 0.20Moz during the year as a result of depletions which were countered in part by additions resulting from exploration and cost reductions. The Ore Reserve has been estimated using a gold price of US$1,100/oz (2016: US$1,100/oz).

The Siguiri mine is operated under licence from the Government of Guinea which was scheduled to expire on 10 November 2018. A Revised and Consolidated Convention de Base was signed on 28 June 2016 and was gazetted on the 24 January 2017 (effective date) for a licence term of 25 years.

STRATEGIC REPORT (continued)

3. Principal risks and uncertainties

Risk management activities within the Company are the ultimate responsibility of the Board of Directors. The Group Chief Executive Officer is responsible to the Group Board of Directors for the design, implementation and monitoring of the risk management plan within the Group on behalf of individual companies within the Group. The Group Audit and Risk Committee is responsible for overseeing risk management plans and systems, as well as financial risks which include a review of treasury activities and the Group's counterparties.

The financial risk management objectives of the Company (through the Group) are defined as follows:

- safeguarding the core earnings stream from its major assets through the effective control and management of gold price risk, other commodity risk, foreign exchange risk and interest rate risk. The company has determined that it will not hedge its gold price risk and thus it's potential for dividend flows from its subsidiary could be volatile and result in future impairment if the price deteriorates;
- effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures;
- ensuring that investment and hedging transactions are undertaken with creditworthy counterparties; and
- ensuring that all contracts and agreements related to risk management activities are coordinated and consistent throughout the Company and that they comply where necessary with all relevant regulatory and statutory requirements.

Foreign exchange risk

The Company has transactional foreign exchange exposures. Such exposure arises from Group loans and taxes payable and receivable denominated in currencies other than the unit's functional currency. The Company manages this risk by accepting it and not to mitigate it through the use of derivatives.

Liquidity risk

The Group has sufficient undrawn borrowing facilities available to fund working capital requirements. As all intra-group funding is payable on demand with no specific repayment terms, the maturity of the financial assets and liabilities are deemed to be within one year.

Credit risk

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The Company minimises credit risk by ensuring that sufficient financial support is available from holding companies in the event of default. The maximum credit risk exposure is equal to the carrying value of outstanding receivables from subsidiaries, fellow subsidiaries and holding companies.

On behalf of the Board

K P E Davies
Director
26 October 2018

DIRECTORS' REPORT

Registered No. 01602243

The Directors present their report and financial statements for the year ended 31 December 2017.

1. Dividends

Dividends of US$ 55.25million were declared and paid during the year (2016: US$51 million).

2. Directors

The Directors of the Company during the year and to the date of this report are as follows:

K P E Davies (appointed 30 October 2017)
F Visser (resigned 30 October 2017)
C A B Redwood-Sawyerr (resigned 15 January 2018)

3. Company Secretary

The joint company secretary of the company during the year and to the date of this report are as follows:

K P E Davies (appointed 30 October 2017)
St James Corporate Services Limited
F Visser (appointed 28 April 2017) (resigned 30 October 2017)
T Garrett (resigned 28 April 2017)

4. Going concern

The Company's business activities, principal risks and uncertainties facing the Company are described in the strategic report on pages 1 to 2.

The Company has considerable access to financial resources through the support it receives from its ultimate parent company. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

5. Subsequent events

On 15 January 2018, Celia Redwood-Sawyerr resigned as a director of the company.

With effect from 19 February 2018, central management and control is no longer exercised from the Isle of Man and as such the company should no longer be considered as resident for Isle of Man corporate income tax purposes from this date.

A dividend of US$46.75 million was declared on 4 May 2018 from Sociéte AngloGold Ashanti de Guinee S.A. The Directors subsequently declared a dividend of US$46.75 million to the shareholders as recorded in the Company's Register of Members on 4 May 2018.

Proceeds of the dividend of $34m was received on 4 May 2018 and the balance of $12.75m was received on 25 July 2018.

DIRECTORS' REPORT (continued)

6. Directors' statement as to disclosure of information to auditor

The Director who was the sole member of the Board at the time of approving the Director's report is listed above. Having made enquiries of fellow Directors and of the Company's auditors, the sole Director confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditors is aware; and
- The Director has taken all the steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

K P E Davies
Director
26 October 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

to the members of Chevaning Mining Company Limited

Opinion

We have audited the financial statements of Chevaning Mining Company Limited for the year ended 31 December 2017 which comprise the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

to the members of Chevaning Mining Company Limited (continued)

Other information(continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

to the members of Chevaning Mining Company Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLC

Jillian Diane Kelly (Senior statutory auditor)
for and on behalf of Ernst & Young LLC, Statutory Auditor
Isle of Man

26 October 2018

BALANCE SHEET
at 31 December 2017

	Notes	2017 Total $'000	2016 Total $'000
Fixed assets			
Investments in subsidiary	4	**22,161**	22,161
		22,161	22,161
Current assets			
Amounts owed by group companies		-	-
		-	-
Creditors: amounts falling due within one year			
Corporation tax payable	7	-	-
		-	-
Net current assets		-	-
Total assets less current liabilities		**22,161**	22,161
Net assets		**22,161**	22,161
Capital and reserves			
Called up share capital	5	**2**	2
Profit and loss account		**22,159**	22,159
Total equity		**22,161**	22,161

The financial statements were approved by the Board of Directors and authorised for issue on 26 October 2018 and are signed on their behalf by

K P E Davies
Director

INCOME STATEMENT
for the year ended 31 December 2017

	Notes	2017 Total $'000	2016 Total $'000
Turnover – dividend received from subsidiary	3	**55,250**	51,000
Cost of sales		-	-
Gross profit		**55,250**	51,000
Operating expenses		-	-
Operating profit	6	**55,250**	51,000
Other income		-	-
Profit on ordinary activities before taxation		**55,250**	51,000
Tax expense	7	-	-
Profit for the financial year		**55,250**	51,000

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	*2017 Total $'000*	*2016 Total $'000*
Profit for the financial year		**55,250**	51,000
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**55,250**	51,000

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Called up share capital	*Profit and loss account*	*Total equity*
	$'000	*$'000*	*$'000*
At 1 January 2016	**2**	**22,159**	**22,161**
Profit for the year	-	51,000	51,000
Other comprehensive income	-	-	-
Equity dividends paid	-	(51,000)	(51,000)
At 31 December 2016	**2**	**22,159**	**22,161**
Profit for the year	-	55,250	55,250
Other comprehensive income	-	-	-
Equity dividends paid	-	(55,250)	(55,250)
At 31 December 2017	**2**	**22,159**	**22,161**
	Note 5		

The following dividends were declared to AngloGold Ashanti Guinea Holdings Limited and settled during 2017:

Date	Total cost	Dividend per ordinary share
27 January 2017	US$25,500,000	US$25,500
16 May 2017	US$29,750,000	US$29,750
Total	US$55,250,000	

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Chevaning Mining Company Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 26 October 2018 and the balance sheet was signed on the Board's behalf by Mr K P E Davies. The Company is incorporated in England and Wales and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company's financial statements are presented in United States Dollars, its functional currency, and all values are rounded to the nearest thousand dollars ($'000) except where otherwise indicated.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of AngloGold Ashanti Limited (the ultimate holding company). The results of the Company are included in the consolidated financial statements of AngloGold Ashanti Limited which are available from 76 Rahima Moosa Street, Newtown, Johannesburg, 2001, P.O. Box 62117, Marshalltown, 2107, Republic of South Africa.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1. Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- the requirements of paragraphs 10(d), 134-136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*; and
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments to fair value. The accounting policies as set out below are consistent in all material respects with those applied in the previous year. Subsidiaries are accounted for at cost and are adjusted for impairments where appropriate.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

2. Accounting policies (continued)

2.2. Changes in accounting policy and disclosures

The financial statements have been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period on 1 January 2017. The new standards, interpretations and amendments effective from 1 January 2017 had no impact on the Company. The Company assesses the significance of new standards, interpretations and amendments to standards in issue that are not yet adopted but are likely to affect the financial reporting in future years. We have identified that IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" both of which have an effective date of 1 January 2018 are unlikely to materially affect future financial reporting.

2.3. Judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements that management have applied in the application of accounting policies and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

2.4. Significant accounting policies

Impairment of assets

The Company assesses, at each balance sheet date, whether there is any indication of a significant and prolonged decline for an asset to be determined as impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and is recognised immediately in the income statement.

Where a reversal of an impairment loss arises, this will be recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

2. Accounting policies (continued)

Foreign currency translation
Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities classified as available for sale financial assets, are included in other comprehensive income.

Amounts owed by / to group companies

These include loans to and from direct and indirect holding companies and fellow subsidiaries and are recognised initially at fair value plus direct transaction costs, unless the fair value cannot be reasonably determined, in which case it is recognised at cost.

Subsequently, these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable, an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the loan's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loan at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Amounts owed by group companies are classified as loans and receivables.

Dividend distribution

Dividend distributions to shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Board of Directors and approved by the shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

2. Accounting policies (continued)

2.4. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Furthermore, dividends are recognised when the right to receive payment is established; and interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Financial instruments

Financial instruments recognised on the balance sheet include amounts owed by group companies.

Financial instruments are initially measured at fair value when the Company becomes a party to their contractual arrangements. Transaction costs are included in the initial measurement of financial instruments, except financial instruments classified at fair value through profit and loss. The subsequent measurement of financial instruments is discussed below.

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the Company has transferred its rights to receive cash and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

On derecognition of a financial asset, the difference between the proceeds received or receivable and the carrying amount of the asset is included in the income statement.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid for is included in the income statement.

Investments

Investments in subsidiaries, joint ventures and associates are carried at cost less any accumulated impairments in the financial statements.

Financial liabilities

Financial liabilities, other than derivatives, are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

2. Accounting policies (continued)

2.4. Significant accounting policies (continued)

Income taxes

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

3. Turnover – dividend received from subsidiary

Dividend	*2017* *$'000*	*2016* *$'000*
Quarter 1	**25,500**	-
Quarter 2	**29,750**	17,000
Quarter 3	-	34,000
Quarter 4	-	-
Total	**55,250**	51,000

4. Investment in subsidiary

	2017 *$'000*	*2016* *$'000*
At original cost		
Sociéte AngloGold Ashanti de Guinee S.A.	**22,161**	22,161

The Company owns 85% of the issued share capital of Sociéte AngloGold Ashanti de Guinee S.A. (SAG) (2016: 85%), which is registered in Guinea. SAG is engaged in the exploration, development and mining of gold. The net assets of SAG at 31 December 2017 were US$276 million (2016: US$188 million) with a profit for the year of US$91 million (2016: US$74 million). The recoverable value of the investment is determined by the valuation of the main asset of SAG, being the Siguiri Mine in Guinea. No provision for impairment is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

4. Investment in subsidiary (continued)

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital at 31 December 2017 and 2016 are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Sociéte AngloGold Ashanti de Guinee S.A. incorporated in Guinea	Ordinary shares	85%	Mineral exploration, development and production

5. Authorised and issued share capital

	2017 thousands	*2016 thousands*	***2017 £'000***	*2016 £'000*
Authorised				
Ordinary shares of £1 each	**400**	400	**400**	400
	2017 thousands	*2016 thousands*	***2017 $'000***	*2016 $'000*
Allotted, called up and fully paid				
Ordinary shares of £1 each	**1**	1	**2**	2

Each allotted, called up and fully paid ordinary share grants the holder the rights to dividends as recommended by the Board out of distributable profits. In addition, each ordinary shareholder is granted one voting right per share.

Capital is managed at the level of the ultimate holding company, AngloGold Ashanti Limited and not on a company basis (note 1).

6. Operating profit

All operating expenses of the Company (including statutory and audit fees) have been borne by the parent company. The Directors of AngloGold Ashanti Holdings plc have confirmed that they will not seek reimbursement of these costs, therefore the costs are not reflected in these financial statements. The audit fee for the year was £9,000 (2016: £7,500). The Directors did not receive any fees or remuneration for their services.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

7. Taxation

(a) Tax charged in the income statement

	2017 *$'000*	*2016* *$'000*
Current income tax:		
UK corporation tax at 19.25% (2016: 20.00%)	-	-

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are reconciled below:

	2017 %	*2016* %
Effective tax rate	-	-
Non taxable income	**19.25**	20.00
UK corporate tax rate	**19.25**	20.00

(c) Change in Corporation Tax rate

The UK corporation tax rate was reduced from 20.00% to 19.00% effective 1 April 2017.

(d) Isle of Man taxation

Although the Company is incorporated in England and Wales and subject to UK Corporation tax, it is also resident in the Isle of Man for corporate income tax by virtue of central management and control being exercised from the Isle of Man.

The standard rate of corporate income tax in the Isle of Man is 0% except where profits are derived from banking business, or in certain circumstances retail business which are subject to corporate income tax at a rate of 10%. Profits derived from Isle of Man land and property will be subject to tax at a rate of 20%.

As Chevaning Mining Company Limited does not derive its income from Isle of Man land and property, banking business or retail business, its profits should be subject to the standard rate of corporate income tax of 0%, as such a provision for Isle of Man corporate income tax is not required.

With effect from 19 February 2018, central management and control is no longer exercised from the Isle of Man and as such the Company should no longer be considered as resident for Isle of Man corporate income tax purposes from this date.

(e) Republic of Guinea taxation

On 19 October 1985 the Company entered into a Joint Venture Agreement (JVA) with the Government of the Republic of Guinea; the JVA was replaced on 11 November 1993 and Article 13.22 thereof stipulates that SAG shall not be required to deduct or withhold any taxes from any payment or from any dividends paid to the shareholders of the company.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017 (continued)

7. Taxation (Continued)

(e) Republic of Guinea taxation (continued)

A revised and consolidated Convention de Base was signed on 28 June 2016 and was gazetted on 24 January 2017 (effective date) for a licence of 25 years.

8. Parent company and ultimate parent company

The immediate parent company of the Company at the balance sheet date was AngloGold Ashanti Guinea Holdings Limited, incorporated in the British Virgin Islands. The ultimate parent company is AngloGold Ashanti Limited, registered in South Africa.

9. Subsequent events

On 15 January 2018, Celia Redwood-Sawyerr resigned as a director of the company.

With effect from 19 February 2018, central management and control is no longer exercised from the Isle of Man and as such the company should no longer be considered as resident for Isle of Man corporate income tax purposes from this date.

A dividend of US$46.75 million was declared on 4 May 2018 from Sociéte AngloGold Ashanti de Guinee S.A. The Directors subsequently declared a dividend of US$46.75 million to the shareholders as recorded in the Company's Register of Members on 4 May 2018.

Proceeds of the dividend of $34m was received on 4 May 2018 and the balance of $12.75m was received on 25 July 2018.