

ANGLOGOLD ASHANTI LTD

Form 6-K

March 29, 2007

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated March 29, 2007

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

11 Diagonal Street

Johannesburg, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Enclosure: Press release – **AngloGold Ashanti 06 Annual Financial Statements**
- prepared in accordance with IFRS

Annual Financial
Statements
06

AngloGold Ashanti Limited (AngloGold Ashanti) has produced a suite of three complementary reports to communicate with a range of stakeholders on all aspects of its operating and financial performance for the year from 1 January to 31 December 2006. This suite of annual reports comprises:

·
Annual Financial Statements 2006

·
Supplementary Information: Mineral Resources and Ore Reserves 2006, which provides a detailed breakdown of the group's Mineral Resources and Ore Reserves

·
Report to Society 2006 which incorporates an expanded, comprehensive web-based version of the report that provides a broad overview of AngloGold Ashanti's sustainable development initiatives at all its operations
a condensed printed report based on the above, and
country reports, which provide an overview of the group's operational and sustainable development initiatives in each country in which it operates.

The stakeholders with which the company seeks to communicate includes shareholders, employees and their representatives, the communities in which AngloGold Ashanti operates, regional and national governments as well as other interested parties.

This report, the Annual Financial Statements 2006, presents AngloGold Ashanti's operating and financial results for the period 1 January 2006 to 31 December 2006. They have been prepared in accordance with International Financial Reporting Standards (IFRS), the South African Companies Act No. 61 of 1973 and the Listings Requirements of the JSE Limited (JSE). The guidelines of the King Report on Corporate Governance, 2002 have also been taken into account in the compilation of both the Annual Financial Statements and the Report to Society 2006. The latter has been produced in line with the Global Reporting Initiative (GRI) and the principles presented by the International Council of Metals and Mining (ICMM), of which AngloGold Ashanti is a member. The Annual Financial Statements are submitted to the JSE and to the London, New York, Ghana and Australian stock exchanges as well as to the Paris and Brussels bourses. It is also submitted to the US Securities and Exchange Commission (SEC) on Form 6-K.

During the course of the past financial year, there were several changes at an operational level. In South Africa, the group's new mine, Moab Khotso, came into commercial production and in Australia, the large-scale, long-life Boddington expansion project was approved against a backdrop of improving gold and commodity prices. The Ghanaian operation, Bibiani, was sold with effect from 1 December 2006. In April 2006, AngloGold Ashanti successfully completed raising equity of \$500 million (net of issue expenses) at a tight discount to the market price. The company has launched an employee share ownership plan (ESOP) together with a black economic empowerment

(BEE) transaction in South Africa in terms of which 1.9% of AngloGold Ashanti's share capital (equivalent to around 6% of production of the South African operations) has been transferred to non-managerial employees of the company and a BEE consortium, in line with the requirements of the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry.

The Annual Financial Statements 2006 contains a summary of the group's Mineral Resources and Ore Reserves in the form of a Supplementary Information report. Mineral Resources and Ore Reserves in both documents are reported in accordance with the South African Code for Reporting of Mineral Reserves and Resources (SAMREC 2000) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004). Competent persons in terms of all these codes have prepared, reviewed and confirmed the report of the Mineral Resources and Ore Reserves.

In addition to the Annual Financial Statements 2006, AngloGold Ashanti is preparing an annual report on Form 20-F, in compliance with the rules governing its listing on the New York Stock Exchange and in accordance with the accounting principles generally accepted in the United States. The Form 20-F must be filed with the SEC by no later than 30 June 2007.

All of these AngloGold Ashanti reports and documents are available electronically on the corporate website, www.AngloGoldAshanti.com, or the 2006 Annual Report website, www.aga-reports.com.

Printed copies can be requested from the contact persons listed on either the inside back cover of this report or those listed on the website.

Scope of report

Throughout this document, dollar or \$ refers to US dollars, unless otherwise stated.

AngloGold Ashanti

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Forward-looking statements

Certain statements contained in this document other than statements of historical fact contain forward-looking statements regarding AngloGold Ashanti's operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, total cash costs and other operating results, growth prospects and the outlook of AngloGold Ashanti's operations, including the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, and business and operational risk management. For a discussion on such factors, refer to the risk management section of these Annual Financial Statements.

AngloGold Ashanti is not obliged to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the Annual Financial Statements or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

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Key features 2006

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Financial

.
*Average annual dollar spot gold price up by 36%
to \$604 per ounce compared to 2005.*

.
*Received gold price 31% higher at \$577 per
ounce.*

.
*Adjusted gross profit increased by 125%
to \$1,058 million.*

.
*Adjusted headline earnings rose by 105%
to \$413 million.*

.
Capital expenditure up by 13% to \$817 million.

.
*Total dividend for the year of R4.50 per share
or \$0.62 per ADS.*

AngloGold Ashanti

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Operational

.
Total annual gold production declined by 9% to 5.6 million ounces.

.
Total cash costs increased by 10% to \$308 per ounce mainly as a result of lower grades mined and inflationary pressures.

.
Ore Reserves and Mineral Resources increased by 6% and 3% respectively.

AngloGold Ashanti at a glance – corporate profile

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AngloGold Ashanti, one of the world's leading gold producers, has a portfolio of long-life, relatively low-cost assets with a variety of orebody types in key gold-producing regions around the world.

AngloGold Ashanti produced 5.6 million ounces of gold in 2006 of which 2.6 million ounces (45%) came from deep-level hard-rock operations in South Africa and the balance of 2.5 million ounces (45%) from shallow and surface operations, and 0.5 million ounces (10%) from underground operations around the world.

Today, AngloGold Ashanti has 21 operations located in 10 countries on four continents, together with a substantial project pipeline and a focused, global exploration programme. AngloGold Ashanti currently operates in South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States.

Greenfields exploration is underway in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Colombia, Russia, China, the Philippines and Laos. In 2006, 119,089 metres of greenfields exploration drilling was completed, a four-fold increase on that of 2005.

Shareholder information

Headquartered in Johannesburg, South Africa, AngloGold Ashanti's primary listing is on the Johannesburg Stock Exchange (ANG). It is also listed on the following securities exchanges: New York (AU), London (AGD), Australia (AGG) and Ghana (AGA) as well as Euronext Paris (VA) and Euronext Brussels (ANG).

Corporate highlights

- *Production of 5.6 million ounces of gold in 2006*
- *Capital expenditure of \$817 million, spent primarily on projects at Mponeng, TauTona and Moab Khotsong in South Africa, AngloGold Ashanti Brasil Mineração in Brazil, Geita in Tanzania and Sunrise Dam in Australia*
- *Proved and Probable Ore Reserves of 66.9 million ounces and total Mineral Resources inclusive of Ore Reserves of 181.6 million ounces*
- *More than 61,000 people, including contractors, are employed around the globe*

AngloGold Ashanti

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Letter from the chairman and chief executive officer

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AngloGold Ashanti's adjusted headline earnings for 2006, at \$413 million, were the highest in the nine-year history of the company. In a 12-month period in which the spot price of gold rose by 36%, the company's adjusted headline earnings increased by 105%, clearly demonstrating AngloGold Ashanti's leverage to a rising gold price. These sound financial results were achieved in a year during which AngloGold Ashanti's gold production was 9% lower than 2005 at 5.6 million ounces.

Although total cash costs for the year increased by 10% to \$308 per ounce, the company's continued cost management programme, which achieved savings of \$160 million in 2005, yielded a further \$73 million in savings during 2006. We are particularly pleased with this performance in the face of rising global commodity input prices. \$50 million of these savings was derived from the South African operations, which yielded some \$144 million savings in 2005.

AngloGold Ashanti's workplace safety performance during 2006 is of concern to us. Over the last eight years, the company has seen a steady improvement in both its lost time injury statistics and in the number of serious and fatal accidents. In 2006, however, we experienced a deterioration in these trends; during the year 37 of our employees lost their lives in work-related accidents. On our South African mines, where 32 of these occupational fatalities occurred, 78% were as a result of falls of ground, many caused by underground seismic activity. The company's management is comprehensively reviewing its safety strategy and we are determined to return to the improving, downward trend. That this is possible is indicated by the solid performance of several operations, including Cripple Creek & Victor in Colorado – which has operated without a lost-time injury since November 2003. Our employees and the trade unions that represent them will be our full and equal partners in the revitalised safety programmes. We want each employee to become a safety supervisor looking after his own safety and that of the colleague working next to him.

*Investor and
speculator interest
in gold led to
the price reaching
a 26-year high of
\$725 per ounce
in May 2006,
with an annual
average price for 2006
of \$604 per ounce,
36% higher than
in 2005.*

Russell Edey, Chairman

AngloGold Ashanti

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Reversing the trend in 2005, when the company's ore reserves decreased by 15.6 million ounces, in 2006 AngloGold Ashanti recorded an increase in total ore reserves before depletion of 10.1 million ounces. After depletion, this represents a 6% increase year-on-year, from 63.3 million ounces in 2005 to 66.9 million ounces in 2006. Significant additions included 2.9 million ounces at Mponeng due to the inclusion of the VCR Below 120 Level project, and 1.1 million ounces at Cripple Creek & Victor as a result of a planned extension of that operation's life.

This increase is evidence of the increasing achievement of our growth objective, which is central to ensuring sustainable returns for shareholders and benefits to all of our stakeholders. We have in place a strong pipeline of organic growth projects, where the focus is on bringing to account value-accretive ounces at reasonable costs. With five major capital projects currently underway at operations in South Africa, Brazil and Australia, we believe we are doing this effectively. Additionally, we continue to maintain and expand our cost-effective brownfields exploration programme, which is focused on continuing to increase our reserve and resource base around our existing operations, and our greenfields exploration initiatives underway in seven countries around the world, with substantial resources in 2007 earmarked for our sites in the Democratic Republic of Congo, Colombia and Tropicana in Western Australia.

An effect of this growth strategy is to place the group in its highest-ever capital investment phase. However, we will continue to balance our capital expenditure and our dividend allocation on the basis of both prudent financial management and ensuring strong total returns to shareholders. In this spirit, a dividend of 240 South African cents (or 33 US cents) per share has been declared for the six months ended 31 December 2006, resulting in a total dividend for the year of 450 South African cents (or 62 US cents). This compares with a total dividend paid in 2005 of 232 South African cents (36 US cents).

Bobby Godsell, Chief Executive Officer

Letter from the chairman and chief executive officer *cont.*

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We continue to take a positive view of the market for and price of our product. The average spot price for the year of \$604 per ounce was 36% higher than the average for 2005 and the greatest annual gain since 1980. With the key drivers of the price – the investment and physical market, currencies and interest rates – all continuing to sustain demand, we are confident that gold will continue to trade in its present range, or higher, for the foreseeable future. In this market context, AngloGold Ashanti's strategy of actively managing its hedge book so as to reduce our forward sale commitments and expose more of our production to a rising price will be maintained. In April 2006 Anglo American sold, via a placement, approximately 14.6% of its shares in AngloGold Ashanti, worth some \$1 billion, reducing its holding to 41.8% and giving effect to its decision to reduce its shareholding in this company and, consequently, to provide us with greater strategic flexibility. Simultaneously with this secondary placement, AngloGold Ashanti raised some \$500 million via a primary placement. This \$1.5 billion placement involving nearly 30 million shares, was priced at an impressive 1% discount to both the price the day before and the 30-day weighted average price.

Another key challenge which management continues to successfully address is the health of our employees and the communities in which they live. In South Africa during 2006, 23,389 (or 75% of the workforce) tested their HIV/AIDS status, illustrating the company's success of campaigns promoting counselling and testing. Over 4,500 employees are enrolled in wellness programmes and nearly 1,500 are receiving anti-retroviral therapy (ART). Of those on ART, 88% have been declared fit to work by their attending clinician. 80% of patients on ART have undetectable viral loads after two years of treatment.

The malaria control programme now in operation in the Obuasi district in Ghana, which we implemented in April 2006, is one of the largest private sector malaria control programmes. This initiative has reduced the number of malaria cases being treated at the company's hospital by 50% and it is expected that further reductions will be achieved during 2007 and beyond. A similar programme will be initiated at the Geita mine in Tanzania.

These issues related to employee and community health, as well as the other social and environmental aspects of AngloGold Ashanti's commitments to its stakeholders are comprehensively addressed in the Report to Society component of our Annual Report, carried on the 2006 Annual Report website at www.aga-reports.com.

AngloGold Ashanti

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To strengthen the partnership with our employees in South Africa, on 30 January 2007 we launched the Bokamoso Employee Share Ownership Plan. In terms of this plan, which includes all employees except for managers already benefiting from share schemes, each employee has become the outright owner of 30 of the company's shares, currently worth just over R10,000. The employee will benefit from the dividends paid on these shares, and will be required to hold them for three years following which they will vest in five equal annual tranches. Each employee will also benefit from the value uplift on another 90 shares, which will vest in the same proportions over the same periods. This scheme was fully developed with the three unions who represent our employees in South Africa and further deepens the partnership we have with these unions.

We are pleased to welcome to our board three new directors:

Joseph Henry Mensah, who is the Chairman of the National Development Planning Commission in Ghana and a member of the Ghana Parliament; Siphon Pityana, Chairman of Izingwe Holdings, a BEE investment company which holds 0.5% of AngloGold Ashanti's shares as a result of the empowerment transaction which included the introduction of the Bokamoso Employee Share Ownership Plan; and Professor Wiseman Nkuhlu, who is a certified chartered accountant with the South African Institute of Chartered Accountants and a past national president of that Institute, and a respected South African academic, professional and business leader. Professor Nkuhlu was also appointed deputy chairman of the Audit and Corporate Governance Committee, with effect from 4 August 2006.

We also note the resignation from the board of Lazarus Zim and Sam Jonah. Colin Brayshaw and Tony Trahar will retire from the board at the upcoming annual general meeting. We record our thanks to them for their contribution to the company during their tenure.

Looking ahead to the rest of 2007, gold production is estimated to be 5.8 million ounces at an average total cash cost of \$309 per ounce. Capital expenditure is estimated at \$1,070 million and will be managed in line with profitability and cash flow. We continue to have a positive outlook for the gold price and confidently anticipate another year of growth and improved value for our shareholders.

Russell Edey

Bobby Godsell

Chairman

Chief Executive Officer

20 March 2007

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Performance

review

Annual production (000 oz)

Annual production (000 oz)

Annual production (000 oz)

Annual production (000 oz)

Annual production (000 oz)

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.
Mining operations here are divided into two regions, West Wits and Vaal River, which together have seven mines, namely Great Noligwa, Kopanang, Moab Khotsong, Mponeng, Savuka, Tau Lekoa and TauTona.

.
As at 31 December 2006, Ore Reserves for these operations totalled 27.2 million ounces of gold – 41% of group reserves.

.
Combined, these mines employed 35,968 people and produced 2,554,000 ounces of gold in 2006, equivalent to 45% of total group output.

.
The South African operations contributed \$549 million – 52% – to group adjusted gross profit.

.
Capital expenditure for the year totalled \$313 million.

.
The operations here are Sunrise Dam and the Boddington joint venture expansion project, both in the state of Western Australia.

.
As at 31 December 2006, Ore Reserves totalled 6.4 million ounces of gold – 9% of group reserves.

.
Sunrise Dam and Boddington together employed 479 people and Sunrise Dam produced 465,000 ounces of gold in 2006, equivalent to 8% of total group output.

.
This operation contributed \$137 million – 13% – to group adjusted gross profit.

.
Capital expenditure at both Sunrise Dam and Boddington totalled \$84 million for the year.

.
The mining operations here are located in Brazil (AngloGold Ashanti Brasil Mineração Ltda and Serra Grande) and Argentina (Cerro Vanguardia).

.
As at 31 December 2006, Ore Reserves in Brazil and Argentina totalled 4.7 million ounces of gold – 7% of group reserves.

.
Combined, these mines employed 5,334 people and produced 554,000 ounces of gold in 2006, equivalent to 10% of total group output.

.
The operations together contributed \$175 million – 17% – to group adjusted gross profit.

.
Capital expenditure for the year totalled \$205 million.

.
The one mining operation here is Cripple Creek & Victor (CC&V) in the state of Colorado.

.
As at 31 December 2006, Ore Reserves at CC&V totalled 3.8 million ounces of gold – 6% of group reserves.

.
This operation employed 369 people and produced 283,000 ounces of gold in 2006, equivalent to 5% of total group output.

.
This operation contributed \$23 million – 2% – to group adjusted gross profit.

Capital expenditure for the year totalled \$13 million.

This region includes the mining operations in Ghana (Obuasi, Iduapriem and Bibiani for 11 months), Guinea (Siguri), Mali (Morila, Sadiola, Yatela), Namibia (Navachab) and Tanzania (Geita).

As at 31 December 2006, Ore Reserves for all these operations totalled 24.8 million ounces of gold – 37% of group reserves.

Combined, these mines employed 17,157 people and produced 1,779,000 ounces of gold in 2006, equivalent to 32% of total group output.

The operations in Africa (outside of South Africa) contributed \$144 million – 14% – to group adjusted gross profit.

Capital expenditure for the year totalled \$191 million.

Capital expenditure (\$m)

Capital expenditure (\$m)

Capital expenditure (\$m)

Capital expenditure (\$m)

Capital expenditure (\$m)

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Operations at a glance – summary

For the year ended 31 December

Attributable
 tonnes

Average grade

Attributable

treated/milled

recovered

gold production

(Mt)

(g/t)

(000oz)

Page

Operation

2006

2005

2004

2006

2005

2004

2006

2005

2004

number

South Africa

2,554

2,676 2,857

Vaal River

Great Noligwa

2.4

2.3 2.4

8.08

9.30 10.38 615

693 795

52

Kopanang

2.0

2.0 2.0

7.01

7.38 7.37 446

482 486

53

Moab Khotsong

(1)

0.2

–

–

6.35

–

-		
44		
-		
-		
54		
Tau Lekoa		
1.5		
2.1	2.4	
3.76		
3.96	3.87	176
265	293	
54		
Surface operations		
7.2		
5.8	6.1	
0.49		
0.51	0.60	113
95	119	
West Wits		
Mponeng		
1.9		
1.7	1.7	
9.93		
9.15	8.14	596
512	438	
48		
Savuka		
0.4		
0.6	0.8	
7.68		
6.80	6.19	89
126	158	
50		
TauTona		
(2)		
2.0		
1.6	1.6	
10.18		
9.62	10.88	474
502	568	
49		
Argentina		
215		
211	211	
Cerro Vanguardia (92.5%)		
0.9		
0.9	0.9	
7.29		
7.70	7.60	215
211	211	
56		

Australia

465
 455 410
 Sunrise Dam
 (3)
 4.0
 3.6 3.7
 3.39
 3.68 3.46 465
 455 410
 59

Brazil

339
 346 334
 AngloGold Ashanti Brasil
 Mineração
 (2)
 1.1
 1.3 1.0
 7.60
 7.27 7.85 242
 250 240
 62

Serra Grande (50%)

0.4
 0.4 0.4
 7.51
 7.93 7.80 97
 96 94
 64

Ghana

592
 680 485
 Bibiani
 (4) (6)
 2.1
 2.4 1.7
 0.55
 1.45 1.93 37
 115 105
 69

Iduapriem (85%)

(3) (6)
 3.0
 3.2 2.2
 1.74
 1.71 1.72 167
 174 125
 68
 Obuasi
 (2) (6)

6.2		
4.7	2.6	
4.39		
4.77	5.27	387
391	255	
67		
Guinea		
256		
246	83	
Siguiri (85%)		
(5) (6)		
7.0		
5.8	2.6	
1.08		
1.21	1.10	256
246	83	
72		
Mali		
537		
528	475	
Morila (40%)		
1.7		
1.5	1.4	
3.88		
5.41	4.44	207
262	204	
76		
Sadiola (38%)		
1.8		
1.9	2.0	
3.22		
2.73	2.77	190
168	174	
74		
Yatela (40%)		
(7)		
1.3		
1.3	1.1	
4.12		
2.99	3.41	141
98	97	
75		
Namibia		
86		
81	67	
Navachab		
1.5		
1.2	1.3	
1.81		
2.05	1.59	86
81	67	

79

Tanzania

308

613 570

Geita

(8)

5.7

6.1 4.7

1.68

3.14 3.74 308

613 570

81

USA

283

330 329

Cripple Creek & Victor

(7)

21.8

19.2 18.2 0.54

0.62 0.61 283

330 329

83

Zimbabwe

–

–

9

Freda-Rebecca

(6) (9)

–

–

0.1 –

–

1.66 –

–

9

(1)

Attributable production at Moab Khotsong prior to commercial production in 2006 was capitalised against pre-production costs.

(2)

The yield of TauTona, AngloGold Ashanti Brasil Mineração and Obuasi represents underground operations.

(3)

The yield of Sunrise Dam and Iduapriem represents open-pit operations.

(4)

The yield of Bibiani represents surface and dump reclamation in 2006 and open-pit operations in 2005 and 2004. Bibiani was sold effective 1 December 2006.

(5)

The yield of Siguiri arises from the open pit operation from 2005 and the heap leach operation in 2004.

(6)

Interest acquired 26 April 2004 with reporting from 1 May 2004.

(7)

The yield of Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed.

(8)

50% holding to 26 April 2004 and 100% from this date.

(9)

Freda-Rebecca was sold effective 1 September 2004.

AngloGold Ashanti

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Operations at a glance – summary

For the year ended 31 December

Attributable

Attributable

Total

adjusted gross

cash gross

cash costs

(1)

profit (loss)

(1)

profit (loss)

(1) (2)

(\$/oz)

(\$m)

(\$m)

Page

Operation

2006

2005

2004

2006

2005

2004

2006

2005

2004

number

South Africa

Vaal River

Great Noligwa

261

264 231 156

87 118 203

120 134

52

Kopanang

291

277 281 109

54 46

136

74 60

53

Moab Khotsong

(3)

655

– –

(22)

– – (3)

-	-	54
Tau Lekoa		
440		
410	370	(4)
(14)		
(6)		
25		
9	10	
54		
Surface operations		
281		
287	250	31
16	19	35
16	19	
West Wits		
Mponeng		
237		
279	322	156
49	11	
216		
86	37	
48		
Savuka		
336		
430	455	21
(8)		
(18)		
24		
(1)		
(10)		
50		
TauTona		
269		
256	245	101
44	58	
152		
95	92	
49		
Argentina		
Cerro Vanguardia (92.5%)		
225		
171	156	35
31	30	65
52	54	
56		
Australia		
Sunrise Dam		
298		
269	260	137
46	62	
173		

78	88	
59		
Brazil		
AngloGold Ashanti Brasil		
Mineração		
195		
169	133	86
48	45	
101		
61	58	
62		
Serra Grande (50%)		
198		
158	134	26
22	18	33
26	22	
64		
Ghana		
Bibiani		
(4) (7)		
437		
305	251	
5		
(10)		
(2)		
9		
3	8	69
Iduapriem (85%)		
(4)		
368		
348	303	
7		
(2)		
(5)		
23		
9	4	68
Obuasi		
(4)		
395		
345	305	(42)
(16)		
(15)		
21		
26	5	67
Guinea		
Siguiri (85%)		
(4)		
399		
301	443	
-		
12	(14)	

33		
33	(13)	
72		
Mali		
Morila (40%)		
275		
191	184	52
39	25	69
65	40	
76		
Sadiola (38%)		
270		
265	242	49
20	16	61
32	26	
74		
Yatela (40%)		
228		
263	255	44
11	8	
57		
18	14	
75		
Namibia		
Navachab		
265		
321	348	22
10	1	
28		
17	4	79
Tanzania		
Geita		
(5)		
497		
298	250	(2)
9	23	37
47	58	
81		
USA		
Cripple Creek & Victor		
248		
230	220	23
17	7	
62		
57	47	
83		
Zimbabwe		
Freda-Rebecca		
(4)	(6)	
-		
-	417	

–
– (1)
–
– –

(1)

Refer to Non-GAAP disclosure.

(2)

Adjusted gross profit (loss) plus amortisation of tangible and intangible assets, less non-cash revenues.

(3)

All income and expenses were capitalised until commercial production was reached in the first quarter of 2006.

(4)

Interest acquired 26 April 2004 with reporting from 1 May 2004.

(5)

50% holding to 26 April 2004 and 100% from this date.

(6)

Freda-Rebecca was sold effective 1 September 2004.

(7)

Bibiani was sold effective 1 December 2006.

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Dollar million

2006

2005

2004

2003

2002

Income statement

Gold income

2,964

2,629 2,309 2,029 1,761

Cost of sales

(2,282)

(2,309)

(1,924)

(1,526)

(1,203)

(Loss) gain on non-hedge derivatives and other commodity contracts

(1)

(239)

(135)

(142)

119 92

Gross profit

443

185 243 622 650

Corporate administration and other expenses

(84)

(64)

(51)

(36)

(25)

Market development costs

(16)

(13)

(15)

(19)

(17)

Exploration costs

(61)

(45)

(44)

(38)

(28)

Amortisation of intangible assets

—

— (31)

(29)

(28)

Other net operating expenses

(18)				
(20)				
(12)				
(14)				
(8)				
Operating special items				
(18)				
(77)				
12	(8)			
(23)				
Operating profit (loss)				
246				
(34)				
102	478	521		
Interest received				
32				
25	49	42	39	
Exchange (loss) gain				
(2)				
(5)				
4	(3)			
(4)				
Fair value adjustment on option component of convertible bond				
16				
(32)				
27	–	–		
Finance costs and unwinding of decommissioning and restoration obligations				
(123)				
(108)				
(87)				
(53)				
(48)				
Fair value (loss) gain on interest rate swaps				
–				
(1)				
2	6	–		
Share of associates' (loss) profit				
(1)				
(3)				
–	2	4		
Profit (loss) before taxation				
168				
(158)				
97	472	512		
Taxation				
(180)				
35	41			
(142)				
(165)				
(Loss) profit after taxation from continuing operations				
(12)				

(123)				
138	330	347		
Discontinued operations				
Loss for the year from discontinued operations				
(2)				
(36)				
(11)				
–	–			
(Loss) profit for the year				
(14)				
(159)				
127	330	347		
<i>Allocated as follows</i>				
Equity shareholders of the parent				
(44)				
(182)				
108	312	332		
Minority interest				
30				
23	19	18	15	
(14)				
(159)				
127	330	347		
Other financial data				
Adjusted gross profit				
(2)				
\$m				
1,058				
470	441	559	638	
Cash gross profit				
(3)				
\$m				
1,652				
955	793	791	883	
Headline (loss) earnings				
\$m				
(80)				
(97)				
141	318	376		
Adjusted headline earnings				
(4)				
\$m				
413				
201	271	282	368	
Adjusted gross margin				
%				
32				
17	19	27	35	
Cash gross margin				
%				
49				

34	34	38	48
EBITDA			
(5)			
\$m			
1,411			
820	700	667	802
EBITDA margin			
%			
42			
29	30	32	44
Interest cover			
(6)			
times			
11			
7	7	13	17
(Loss) earnings per ordinary share (cents)			
Basic			
US cents			
(16)			
(69)			
43	140	150	
Diluted			
US cents			
(16)			
(69)			
43	139	149	
Headline			
US cents			
(29)			
(37)			
56	143	169	
Adjusted headline earnings			
(4)			
US cents			
151			
76	108	127	166
Dividends declared per ordinary share			
US cents			
62			
36	56	101	146
Weighted average number of shares			
million			
273			
265	251	223	222
Issued shares at year-end			
million			
280			
265	264	223	223

(1)
Refer to Non-GAAP disclosure note 3 on page 299.

(2)

Refer to Non-GAAP disclosure note 2 on page 297.

(3)

Refer to Non-GAAP disclosure note 6 on page 300.

(4)

Refer to Non-GAAP disclosure note 1 on page 296.

(5)

Refer to Non-GAAP disclosure note 7 on page 300.

(6)

Refer to Non-GAAP disclosure note 8 on page 301.

Summarised group financial results

For the year ended 31 December

AngloGold Ashanti

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Dollar million

2006

2005

2004

2003

2002

Balance sheet

Assets

Tangible and intangible assets

6,469

6,307 6,323 3,176 2,654

Cash and cash equivalents

495

209 289 505 413

Other assets

1,979

1,777 1,590 1,176 897

Total assets

8,943

8,293 8,202 4,857 3,964

Equity and liabilities

Shareholders equity and minority interests

3,047

2,662 3,209 1,681 1,483

Borrowings

1,482

1,894 1,605 1,158 926

Deferred taxation

1,103

1,154

1,356 598 402

Other liabilities

3,311

2,583 2,032 1,420 1,153

Total equity and liabilities

8,943

8,293 8,202 4,857 3,964

Other financial data

Equity

(1)

4,539

4,236 4,708 2,568 2,082

Net capital employed

(1)

5,588

5,980 6,082 3,274 2,635

Net debt

(2)

987

1,685			
1,316	653	513	
Net asset value – US cents per share			
(3)			
1,087			
1,005			
1,214	754	665	
Net tangible asset value – US cents per share			
(4)			
939			
854			
1,049	569	497	
Market capitalisation			
(5)			
13,205			
13,069	9,614		
10,420	7,627		

Financial ratios

Return on equity

(6)			
%			
9			
4	7	12	21

Return on net capital

(7)			
%			
9			
5	8	11	17

Net debt to net capital employed

%			
18			
28	22	20	19

Net debt to equity

%			
22			
40	28	25	25

- (1)
- Refer to Non-GAAP disclosure note 9 on page 301.
- (2)
- Refer to Non-GAAP disclosure note 10 on page 301.
- (3)
- Refer to Non-GAAP disclosure note 11 on page 302.
- (4)
- Refer to Non-GAAP disclosure note 12 on page 302.
- (5)
- Refer to Non-GAAP disclosure note 16 on page 303.
- (6)
- Refer to Non-GAAP disclosure note 13 on page 302.
- (7)
- Refer to Non-GAAP disclosure note 14 on page 302.

Summarised group financial results

For the year ended 31 December

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Dollar million

2006

2005

2004

(1)

2003

2002

Cash flow statement

Cash flows from operating activities

Cash generated from operations

1,281

673 570 562 744

Cash utilised by discontinued operations

(1)

(31)

(2)

— —

Taxation paid

(143)

(30)

(34)

(102)

(131)

Net cash inflow from operating activities

1,137

612 534 460 613

Cash flows from investing activities

Capital expenditure

(817)

(722)

(585)

(363)

(271)

Net proceeds from disposal and acquisition of mines and subsidiaries

9

4 (171)

10 51

Net proceeds from disposal and acquisition of investments, associate
loans and acquisitions and disposal of tangible assets

43

(18)

(20)

61 117

Interest received

25

18 37 33 32

Net loans advanced (repaid)

5

(1)

83	(15)		
12			
Cash restricted for use			
(3)			
17	(6)		
–	–		
Utilised in hedge restructure			
–			
(69)			
(123)			
–	–		
Net cash outflow from investing activities			
(738)			
(771)			
(785)			
(274)			
(59)			
Cash flows from financing activities			
Net proceeds from share issues			
507			
9	3		
10	7		
Net borrowings (repaid) proceeds			
(397)			
316	259	197	(114)
Finance costs			
(88)			
(74)			
(72)			
(40)			
(40)			
Dividends paid			
(132)			
(169)			
(198)			
(314)			
(260)			
Proceeds from hedge restructure			
–			
–	40	–	–
Net cash (outflow) inflow from financing activities			
(110)			
82	32		
(147)			
(407)			
Net increase (decrease) in cash and cash equivalents			
289			
(77)			
(219)			
39	147		
Translation			

(3)			
(3)			
13	53	75	
Opening cash and cash equivalents			
209			
289	495	413	191
Closing cash and cash equivalents			
495			
209	289	505	413

Other financial data

Free cash flow

(2)			
633			
160	205	311	518

(1)
2004 comparatives re-stated to comply with current year disclosures.

(2)
Refer to Non-GAAP disclosure note 15 on page 303.

Summarised group financial results

For the year ended 31 December

AngloGold Ashanti

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Dollar million

2006

2005

2004

2003

2002

Operating results

Underground operations

Metric tonnes milled

000

13,489

13,806 13,554 13,047 13,426

Yield

g/t

7.20

7.31 7.50 8.03 8.27

Produced

oz 000

3,123

3,243 3,270 3,367 3,569

Productivity

g/employee

– target

279

286 270 236 247

– actual

256

257 254 228 238

Surface and dump reclamation

Metric tonnes treated

000

12,414

8,061 7,102 36,822 38,366

Yield

g/t

0.50

0.52 0.60 0.27 0.30

Produced

oz 000

201

136 138 320 365

Open-pit operations

Metric tonnes mined

000

173,178

168,904 135,171 125,529 97,030

Stripping ratio

(1)

4.82

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5.02	6.34	8.95	6.18
Metric tonnes treated			
000			
26,739			
25,541	18,236	13,967	13,682
Yield			
g/t			
2.14			
2.74	3.21	3.43	3.80
Produced			
oz 000			
1,843			
2,246	1,883	1,540	1,673
Heap-leach operations			
Metric tonnes mined			
000			
63,519			
61,091	71,837	59,507	51,192
Metric tonnes placed			
(2)			
000			
23,329			
22,227	22,120	18,265	13,504
Stripping ratio			
(1)			
1.83			
1.97	2.08	2.59	2.63
Recoverable gold placed			
(3)			
kg			
18,162			
18,500	18,670	14,976	14,228
Yield			
(4)			
g/t			
0.78			
0.83	0.84	0.81	1.05
Produced			
oz 000			
468			
541	538	389	332
Total gold produced			
oz 000			
5,635			
6,166	5,829	5,616	5,939
– South Africa			
oz 000			
2,554			
2,676	2,857	3,281	3,412
– Argentina			
oz 000			

215			
211	211	209	179
– Australia			
oz 000			
465			
455	410	432	502
– Brazil			
oz 000			
339			
346	334	323	299
– Ghana			
oz 000			
592			
680			
485	–	–	
– Guinea			
oz 000			
256			
246	83	–	–
– Mali			
oz 000			
537			
528	475	577	710
– Namibia			
oz 000			
86			
81	66	73	85
– Tanzania			
oz 000			
308			
613	570	331	290
– USA			
oz 000			
283			
330	329	390	462
– Zimbabwe			
oz 000			
–			
–	9	–	–
Price received			
\$/oz sold			
577			
439	394	363	303
Total cash costs			
\$/oz produced			
308			
281	264	214	150
Total production costs			
\$/oz produced			
414			
374	332	263	197

Capital expenditure

\$m

817

722 585 449 337

Monthly average number of employees

61,453

63,993 65,400 55,439 54,042

LTIFR

7.70

6.77 6.56 8.83 8.86

FIFR

0.22

0.14 0.19 0.29 0.31

Rand/dollar average exchange rate

6.77

6.37 6.44 7.55

10.48

Rand/dollar closing exchange rate

7.00

6.35 5.65 6.67 8.58

Australian dollar/dollar average exchange rate

1.33

1.31 1.36 1.54 1.84

Australian dollar/dollar closing exchange rate

1.27

1.36 1.28 1.33 1.79

Brazilian Real/dollar average exchange rate

2.18

2.44 2.93 3.07 2.92

Brazilian Real/dollar closing exchange rate

2.14

2.35 2.65 2.89 3.53

(1)

Stripping ratio = (total tonnes mined – ore tonnes mined)/ore tonnes mined.

(2)

Tonnes placed onto leach pad.

(3)

Recoverable gold placed onto leach pad inventory.

(4)

Recoverable gold placed/tonnes placed.

Summarised group operating results

For the year ended 31 December

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Forecast

Expected Forecast

capital

production

total cash cost

expenditure

oz 000

\$/oz*

\$m**

South Africa

2,500

286

364

Vaal River

Great Noligwa

580

295

40

Kopanang

470

260

59

Tau Lekoa

160

426

15

Surface Operations

120

300

—

Moab Khotsong

80

470

80

West Wits

Mponeng

550

249

87

Savuka

70

372

4

TauTona

470

252

79

Argentina

200

263

23

Cerro Vanguardia

200

260

23

Australia

580

275

346

Sunrise Dam

580

266

34

Boddington

–

–

312

Brazil

410

202

84

AngloGold Ashanti Brasil Mineração

320

178

65

Serra Grande

90

244

19

Ghana

570

369

133

Iduapriem

170

403

46

Obuasi

400

355

87

Guinea

270

399

14

Siguiri

270

399

14

Mali

480
327
13
Morila – Attributable 40%
200
297
4
Sadiola – Attributable 38%
170
364
7
Yatela – Attributable 40%
110
326
2
Namibia
80
359
5
Navachab
80
359
5
Tanzania
400
479
53
Geita
400
479
53
North America
310
276
25
Cripple Creek & Victor
310
267
25
Other
–
–
10
AngloGold Ashanti
5,800
309
1,070

* Assumes the following exchange assumptions to the dollar: R7.50/\$, A\$/\$0.76, BRL2.2/\$ and Argentinean Peso 3.15/\$.

** Capital expenditure is managed in line with earnings and cash flows and may fluctuate accordingly.

One-year forecast – 2007

AngloGold Ashanti

Annual Financial Statements 2006 *Page 19*

Dollar million

Notes (1)

%

2006

%

2005

Value added

Gold income

2 and 3

2,964

2,629

Less: Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income

(1,041)

(1,087)

Value-added by operations

85

1,923

80 1,542

Fair value gain (loss) on interest rate swaps and option component of convertible bond

1

16

(2)

(33)

Profit on disposal of assets

14

2 54 – 5

Income from investments and interest received

3 and 8

1

31

1 22

Government

Deferred taxation

12

1

30

6 117

Utilised in the group

Retained income

10

217

15 277

Total value added

100

2,271	
100	1,930
Value distributed	
Employees	
Salaries, wages and other benefits	
10	
39	
887	
46	877
Government	
– Current taxation	
12	
9	210
4	82
Providers of capital	
– Finance costs and unwinding of decommissioning and restoration obligations	
7	
6	
123	
6	108
– Dividends declared	
8	173
5	95
– Minorities	
29	
1	30
1	23
Other	
– Impairment of tangible and intangible assets	
6	
–	6
3	64
– Loss from discontinued operations	
13	
–	2
2	36
– Exchange loss	
–	
2	
–	5
– Loss on non-hedge derivatives and other commodity contracts	
11	
239	
7	135
Total value distributed	
74	
1,672	
74	
1,425	

Re-invested in the group

– Amortisation and depreciation

4, 16 and 17

26

599

26 505

100 2,271

100 1,930

(1)

Refer to the notes on the group financial statements on pages 154 to 263.

Group value-added statement

For the year ended 31 December

Executive directors

RM Godsell (54)

BA, MA

Chief Executive Officer

Bobby Godsell was appointed to the board as chief executive officer in April 1998 and as chairman in December 2000. He relinquished his role as chairman of AngloGold in May 2002. He has 33 years of service with companies associated with the mining industry and has served as a non-executive director of Anglo American plc since March 1999. He is also the immediate past chairman of the World Gold Council.

R Carvalho Silva (55)

BAcc, BCorp Admin

Chief Operating Officer – International

Roberto Carvalho Silva joined the Anglo American group in Brazil in 1973 and was appointed president and chief executive officer of AngloGold South America in January 1999. He became executive officer, South America for AngloGold in 2000 and was appointed to the board in May 2005 in his current capacity.

NF Nicolau (47)

B Tech (Min. Eng), MBA

Chief Operating Officer – Africa

Neville Nicolau was appointed the executive officer responsible for AngloGold's South Africa region in November 2001 and was appointed to the board in May 2005 in his current capacity. He has extensive experience, having joined the mining industry in 1979.

S Venkatakrishnan (Venkat) (41)

BCom, ACA (ICAI)

Executive Director: Finance (Chief Financial Officer)

Venkat was the finance director of Ashanti Goldfields Company Limited from 2000 until the merger with AngloGold in 2004. Prior to joining Ashanti, Venkat was a director in the Reorganisation Services Division of Deloitte & Touche in London. He was appointed to the board in August 2005.

Non-executive directors

RP Edey (64)

FCA

Chairman and independent non-executive director

Russell Edey was appointed to the board in April 1998 and as deputy chairman in December 2000. In May 2002, he was appointed chairman when Bobby Godsell relinquished this office. Based in the United Kingdom, he is deputy chairman of NM Rothschild Corporate Finance and a director of a number of other companies.

TJ Motlatsi (55)

Hon D Soc Sc (Lesotho)

Deputy Chairman and independent non-executive director

James Motlatsi was appointed to the AngloGold board in April 1998 and as deputy chairman in May 2002 upon Russell Edey being appointed chairman. He has been associated with the South African mining industry since 1970 and is a past president of the National Union of Mineworkers. He is chief executive officer

of TEBA Limited.

FB Arisman (62)

MSc (Finance)

Independent non-executive director

Frank Arisman was appointed to the board in April 1998. He resides in New York and retired, after 32 years of service, from J P Morgan Chase, where he held the position of managing director.

RE Bannerman (72)

MA (Oxon), LL.M (Yale)

Reginald Bannerman was appointed to the board on 10 February 2006. He has been in law practice since 1968 and is currently the principal partner at Messrs Bruce-Lyle, Bannerman & Thompson Attorneys in Ghana. He is a member of the General Legal Council of Ghana and a member of the board of the Valco Trust Fund, the largest privately run trust in Ghana. A former lecturer in law at the Ahmadu Bello University in Nigeria, he was also formerly the mayor of Accra, the capital of Ghana.

Directors and executive management

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AngloGold Ashanti

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Non-executive directors (cont)

E le R Bradley (68)

BSc, MSc

Independent non-executive director

Elisabeth Bradley was appointed to the board in April 1998. She is non-executive chairman of Wesco Investments Limited and Toyota South Africa (Proprietary) Limited and a director of a number of other companies. She is deputy chairman of The South African Institute of International Affairs.

CB Brayshaw (71)

CA (SA), FCA

Independent non-executive director

Colin Brayshaw was appointed to the board in April 1998. He is a retired managing partner and chairman of Deloitte & Touche and is a non-executive director of a number of other companies including Anglo Platinum Limited and Datatec Limited.

SE Jonah KBE (57)

Hon D Sc (Exeter), MSc (Mineral Production Management)

President

Sam Jonah worked in various positions, including underground, with Ashanti Goldfields Company Limited and was appointed to the position of chief executive officer of Ashanti in 1986. He has been decorated with many awards and honours and in 2003, an honorary knighthood was conferred on him by Her Majesty, Queen Elizabeth II of Great Britain, in recognition of his exceptional achievements as an African businessman. He was appointed as an executive director to the board in May 2004, a position he relinquished in 2005 but retained his appointment as a non-executive director.

R Médori (49)

Doctorate Economics, Grad (Fin)

Réne Médori was appointed to the board in August 2005. He is the finance director of Anglo American plc.

JH Mensah (78)

MSc (Economics)

Joseph Mensah, who holds an MSc in Economics from London University, has extensive experience in international and local economic management. He is the chairman of the National Development Planning Commission in Ghana and a member of the Ghana Parliament representing the Sunyani constituency. He joined the board with effect from 4 August 2006.

WA Nairn (62)

BSc (Mining Engineering)

Bill Nairn has been a member of the board since January 2000. He was re-appointed to the board in May 2001, having previously been alternate director to Tony Trahar. He was group technical director of Anglo American plc, prior to his retirement in 2004.

WL Nkuhlu (62)

BCom, CA(SA), MBA

Professor Wiseman Nkuhlu, who holds a BCom degree from the University of Fort Hare, is a certified Chartered Accountant with The South African Institute of Chartered Accountants and is a past national president of that institute. He also holds an MBA from the University of New York and is a respected South African academic, professional and business leader. Professor Nkuhlu joined the board, and was appointed deputy chairman of the Audit and Corporate Governance Committee, with effect from 4 August 2006.

Non-executive directors (cont)

SM Pityana (47)

BA (Hons) (Essex), MSc (London)

Sipho Pityana was appointed to the AngloGold Ashanti board with effect from 13 February 2007. He is the executive chairman of Izingwe Holdings (Proprietary) Limited and has occupied strategic roles in both the public and private sectors, including the positions of director general of the national departments of Labour and Foreign Affairs. He was formerly a senior executive of Nedbank and is currently a non-executive director of several companies including Bytes Technology Group (BTG), African Oxygen (Afrox), Munich Re and Aberdare Cables.

SR Thompson (47)

MA (Geology)

Simon Thompson is a director of Anglo American plc and chairman of the Base Metals Division, the Industrial Minerals Division and the Exploration Division. He was appointed to the board in 2004.

AJ Trahar (57)

BCom, CA (SA)

Tony Trahar was appointed to the board in October 2000. He is chief executive officer of Anglo American plc.

Alternate directors

AH Calver (59)

BSc (Hons) Engineering, MDP (UNISA), PMD (Harvard)

Harry Calver was appointed alternate director to Bill Nairn in May 2001. He is head of engineering at Anglo American plc.

PG Whitcutt (41)

BCom (Hons), CA (SA), MBA

Peter Whitcutt who is head of finance at Anglo American plc, has been an alternate director since October 2001, first to Tony Lea and then to René Médori who replaced the former on the board.

Executive officers

CE Carter (44)

BA (Hons) (UCT), DPhil (Oxford), EDP (Northwest University – Kellogg School of Management)

Executive Officer – Investor Relations

Charles Carter joined Anglo American in 1991 and moved to the Gold and Uranium Division in 1996. In May 2005, he was appointed an executive officer, with responsibility for overseeing the company's global investor relations programme.

DH Diering (55)

BSc, AMP

Executive Officer – Business Planning: Africa

Dave Diering joined the Anglo American Gold and Uranium Division in 1975 and worked at several South African operations as well as for Zimbabwe Nickel Corporation until 2001, when he joined AngloGold as head of mining and mineral resources. He was appointed an executive officer in 2005.

RN Duffy (43)

BCom, MBA

Executive Officer – Business Development

Richard Duffy joined Anglo American in 1987 and in 1998 was appointed executive officer and managing secretary of AngloGold. In November 2000, he was appointed head of business planning and in 2004 assumed responsibility for all new business opportunities globally. In April 2005, this role was expanded to include greenfields exploration. He was appointed to the executive committee in August 2005.

D Earp (45)

BCom, BAcc, CA (SA)

Executive Officer – Finance

Dawn Earp joined AngloGold in July 2000 from Anglo American, where she was vice president, Central Finance. Dawn was appointed an executive officer in May 2004.

Directors and executive management *cont.*

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Executive officers (cont)

DC Ewingleben (53)

BSc, DJur

Executive Officer – Law, Safety, Health and Environment

Don Ewingleben joined the group in 2000 as vice president, general counsel and corporate secretary of AngloGold's North American operations. In 2003, he was promoted to the position of president and chief administrative officer for North America, a position which was changed in 2005 to CEO. He was appointed an executive officer in January 2006. Prior to joining the group, he served in various executive positions for Echo Bay Mines (Canada) and AMAX Gold (US). He also held legal, safety and environmental positions with AMAX Coal Industries (US).

BW Guenther (54)

BS (Min. Eng)

Executive Officer – International – Technical

Ben Guenther joined AngloGold as senior vice president general manager of Jerritt Canyon mine in Nevada, USA, and in 2000 was seconded to AngloGold's corporate office in Johannesburg as head of mining. In 2001, he assumed some responsibilities for safety and health, as well as heading up the corporate technical group. He was appointed an executive officer in May 2004 and was appointed to his current position in December 2005.

HH Hickey (53)

BCompt (Hons), CA (SA)

Executive Officer – Head of Risk

Hester Hickey joined AngloGold in 1999 as Group Internal Audit Manager. She was appointed an executive officer in November 2005.

RL Lazare (50)

BA, HED (University of Free State), DPLR (UNISA), SMP (Henley Management College)

Executive Officer – Africa Underground Region

Robbie Lazare joined Anglo American Gold and Uranium Division in 1982, working in a variety of management posts until 1999 when he was appointed general manager of TauTona. In December 2004, he was appointed an executive officer with responsibility for South African operations. He took up his current position in July 2005.

SJ Lenahan (51)

BSoc Sc, MSc

Executive Officer – Corporate Affairs

Steve Lenahan has been working in the mining industry since 1978 when he started his career at De Beers. In 1998, he was appointed an executive officer of AngloGold, responsible for investor relations and assumed responsibility for corporate affairs in 2001.

MP Lynam (45)

BEng (Mech)

Executive Officer – Treasury

Mark Lynam joined the Anglo American group in 1983 and has been

involved in hedging and treasury area since 1990. In 1998 he joined AngloGold as treasurer and was appointed an executive officer in May 2004.

FRL Neethling (54)

BSc (Mech. Eng)

Executive Officer – Africa: Open-Pit Mining

Fritz Neethling joined the Anglo American group in 1992 and in 1999 joined AngloGold as general manager of the Ergo operation. He was appointed an executive officer in July 2005.

PW Rowe (57)

BSc (Chem. Eng)

Executive Officer – Corporate Technical Group

Peter Rowe joined AngloGold Ashanti in June 2004 as head of AngloGold Ashanti Australia. Following 20 years with Anglo American and De Beers, he moved to Australia in the early 1990s where he held a number of senior managerial positions including project director of the Fimiston expansion, general manager of the Boddington Gold Mine and managing director and CEO of Bulong Nickel. He was appointed executive officer with responsibility for the corporate technical group in January 2006.

Directors and executive management *cont.*

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Executive officers (cont)

TML Setiloane (47)

FAE, BSc (Mech Eng)

Executive Officer – Marketing

Thero Setiloane joined AngloGold in May 2003 from Real Africa Holdings, where he was an executive director. He is the chairman of Rand Refinery and was appointed an executive officer and a member of AngloGold Ashanti's executive committee in February 2006.

YZ Simelane (41)

BA LLB, FILPA, MAP

Executive Officer and Managing Secretary

Yedwa Simelane joined AngloGold in November 2000 from the Mineworkers' Provident Fund where she was the senior manager of the Fund. She was appointed an executive officer in May 2004.

NW Unwin (54)

BA

Executive Officer – Human Resources and Information Technology

Nigel Unwin has many years experience in the field of human resources. He was appointed an executive officer in 1999.

Company secretary

L Eatwell (52)

FCIS, FCIBM

Lynda Eatwell joined AngloGold in 2000 as assistant company secretary and was appointed company secretary in December 2006 on the retirement of Chris Bull. She is responsible for ensuring compliance with statutory and corporate governance requirements and the regulations of the stock exchanges on which AngloGold Ashanti is listed.

Changes in directors, executive officers and company secretary during 2006 to date of report

Directorate

Mr KH Williams retired from the board with effect from 6 May 2006.

Mr PL Zim resigned from the board together with his alternate

Mr DD Barber on 4 August 2006.

Mr JH Mensah and Prof WL Nkuhlu were appointed to the board with effect from 4 August 2006.

Dr SE Jonah resigned from the board on 12 February 2007.

Mr SM Pityana was appointed to the board with effect from 13 February 2007.

Mr CB Brayshaw and Mr AJ Trahar have indicated that they will be retiring from the board at the general meeting to be held on 4 May 2007.

Executive officers

Mr DMA Owiredu, former Deputy Chief Operating Officer, Africa resigned from the company in September 2006.

Mrs D Earp, former Executive Officer – Finance, has resigned from the company with effect from 1 March 2007.

Company secretary

Mr CR Bull, former company secretary retired from the company with effect from 1 December 2006.

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Current profile

AngloGold Ashanti, headquartered in Johannesburg, South Africa, is a global gold company with a portfolio of long-life, relatively low-cost assets and differing orebody types in key gold producing regions. The company's 21 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States of America), and are supported by extensive exploration activities. The combined Proved and Probable Ore Reserves of the group amounted to 66.9 million ounces as at 31 December 2006.

The primary listing of the company's ordinary shares is on the JSE Limited (JSE) in South Africa. Its ordinary shares are also listed on stock exchanges in London, Paris and Ghana, as well as being quoted in Brussels in the form of International Depositary Receipts (IDRs), in New York in the form of American Depositary Shares (ADSs), in Australia, in the form of Clearing House Electronic Subregister System Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depositary Shares (GhDSs).

AngloGold Ashanti Limited (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act 61 of 1973, as amended.

History and development of the company

AngloGold Ashanti, as it conducts business today, was formed on 26 April 2004 following the business combination of AngloGold Limited (AngloGold) with Ashanti Goldfields Company Limited (Ashanti), incorporated in Ghana on 19 August 1974.

AngloGold Limited

AngloGold was formed in June 1998 through the consolidation of the gold interests of Anglo American Corporation of South Africa Limited (AAC) and its associated companies into a single, focused, independent, gold company. Vaal Reefs Exploration and Mining Company Limited (Vaal Reefs), the vehicle for the consolidation, changed its name to AngloGold Limited and increased its authorised share capital, effective 30 March 1998.

Group information

AngloGold then acquired, in share-for-share exchanges in terms of South African schemes of arrangement and following shareholder approval, all the issued share capital of East Rand Gold and Uranium Company Limited; Eastvaal Gold Holdings Limited; Southvaal Holdings Limited; Free State Consolidated Gold Mines Limited; Elandsrand Gold Mining Company Limited; H.J. Joel Gold Mining Company Limited and Western Deep Levels Limited. A total of 51,038,968 ordinary shares were issued to AAC and 66,010,118 ordinary shares to other shareholders in exchange for their shares in these companies.

In private transactions with AAC and minority shareholders, other share interests were acquired in Driefontein Consolidated Limited (17%); Anmercosa Mining (West Africa) Limited (100%); Western Ultra Deep Levels Limited (89%); Eastern Gold Holdings Limited (52%); Erongo Mining and Exploration Company Limited (70%); and other sundry share interests. In exchange, 25,734,446 ordinary shares were issued to AAC and 957,920 ordinary shares to minority shareholders. AngloGold also acquired gold exploration and mining rights from AAC and other companies and issued 1,623,080 ordinary shares to AAC and 4,210,412 ordinary shares to the other companies as consideration. In addition, AngloGold acquired from AAC and JCI all the rights under service agreements relating to the companies listed above – from AAC in exchange for 6,834,872 ordinary shares, and from JCI for R62 million (\$11 million).

The consolidation was approved by the required majorities of the shareholders of AngloGold and the participating companies and became effective on 1 January 1998 for accounting purposes.

Subsequent to its formation:

AngloGold purchased Minorco's gold interests in North and South America with effect from 31 March 1999.

With effect from 31 December 1999, AngloGold acquired Acacia Resources in Australia. A total of 18,020,776 AngloGold shares were issued in the transaction.

With effect from 3 July 2000, AngloGold acquired a 40% interest in the Morila mine in Mali from Randgold Resources Limited.

On 15 December 2000, AngloGold acquired a 50% interest in the Geita mine in Tanzania from Ashanti Goldfields Company Limited. Following the business combination, Ashanti's 50% interest was acquired.

In 2000, in support of its market development initiatives, AngloGold acquired a 25% interest in OroAfrica, South Africa's largest manufacturer of gold jewellery and a 33% holding in Gold Avenue, an e-commerce business in gold. Gold Avenue continued to sell gold jewellery by catalogue and through the internet until early 2004, when it was wound up.

On 9 April 2001, the sale to Harmony Gold Mining Company Limited of the Elandsrand and Deelkraal mines for R872 million (\$109 million) became unconditional.

In January 1998, the No. 2 Shaft Vaal River Operations was tributed to African Rainbow Minerals (currently Harmony Gold

Mining Company Limited) (ARM) on the basis that 40% of all revenue, costs and capital expenditure would be attributable to ARM, with the balance to AngloGold. On 1 July 2001, AngloGold disposed of its interests in No. 2 Shaft Vaal River Operations to ARM for R10 million (\$1 million). On 5 September 2001, AngloGold announced that it was to make a take-over offer for Normandy Mining Limited (Normandy), Australia's largest listed gold mining company. Arising from the offer, 6,869,602 AngloGold ordinary shares were issued. This excluded 143,630 AngloGold ordinary shares issued under the top-up facility to Normandy shareholders. The take-over offer did not come to fruition and the Normandy shares acquired were sold on the market on 21 January 2002 realising a total of \$158 million.

Group information cont.

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On 1 January 2002, the sale of AngloGold's Free State assets to ARM and Harmony, through a jointly-owned company, for a net consideration of R2,523 million (\$229 million) (including tax payable by AngloGold and net of contractual obligations), became effective.

During July 2002, AngloGold acquired an additional 46.25% of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, for a net consideration of \$97 million, increasing its interest in Cerro Vanguardia to 92.5%.

AngloGold disposed of its wholly owned subsidiary, Stone and Allied Industries (O.F.S.) Limited, a stone-crushing company, to a joint venture of that company's existing management and a group of black entrepreneurs, with effect from 1 October 2002, for a consideration of R5 million.

On 23 May 2003, AngloGold announced that it had signed an agreement to sell its wholly owned Amapari project to Mineração Pedra Branca do Amapari for a total consideration of \$18 million. The effective date of the transaction was 19 May 2003. The Amapari project is located in the State of Amapá, in northern Brazil. Since acquiring the property as part of the Minorco transaction, AngloGold sought to prove up additional reserve ounces so as to achieve a size and life span that would justify the management resources needed to run it effectively. This was not achieved and AngloGold, on receiving an offer from a purchaser who could constructively turn this orebody to account, agreed to sell.

On 6 June 2003, AngloGold announced that it had finalised the sale of its 49% stake in the Gawler Craton Joint Venture, including the Tunkillia project located in South Australia to Helix Resources Limited. Consideration for the sale comprised cash of \$500,000 (A\$750,000), 1.25 million fully paid Helix shares issued at A\$0.20 per share and 1.25 million Helix options exercisable at A\$0.25 per option before 30 November 2005 with an additional payment of \$335,000 (A\$500,000) deferred to the delineation of a mineable resource of 350,000 ounces. Helix's proposed acquisition of AngloGold's rights to the Tarcoola project, 60 kilometres to the south, was excluded from the final agreement. This resulted in a restructure of the terms of the original agreement as announced on 8 April 2003. On 23 April 2005, the company received a further 416,667 fully paid Helix shares and 37,281 Helix options following a rights issue. The company did not exercise its rights in terms of the Helix options which expired on 30 November 2005.

On 2 July 2003, AngloGold announced that it had concluded the sale of its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc., effective 30 June 2003. Queenstake paid the Jerritt Canyon Joint Venture partners,

AngloGold and Meridian Gold, \$1.5 million in cash and 32 million shares issued by a subsidiary, Queenstake Resources Limited, with \$6 million in deferred payments and \$4 million in future royalties. Queenstake accepted full closure and rehabilitation liabilities. The shares acquired by AngloGold in this transaction, were sold in November 2003.

On 8 July 2003, AngloGold disposed of its entire investment of 8,348,600 shares held in East African Gold Mines Limited for a consideration of \$25 million and in the second half of 2003 AngloGold disposed of 952,481 shares in Randgold Resources Limited for a consideration of \$23 million.

On 18 September 2003, AngloGold and Gold Fields Limited jointly announced that agreement had been reached on the sale by Gold Fields of a portion of the Driefontein mining area in South Africa to AngloGold for a cash consideration of R315 million (\$48 million).

On 20 January 2004, AngloGold announced that it had received a cash payment of A\$4 million (\$3 million) and 25 million fully paid ordinary shares from Tanami Gold NL in Australia, as consideration

for Tanami Gold's purchase of the Western Tanami project. This followed an initial payment of A\$0.3 million (\$0.2 million) made on 24 November 2003, when the Heads of Agreement was signed by the companies. In addition, a further 2 million fully paid ordinary shares were received from Tanami Gold in respect of a rights issue in June 2004. During the period, 10 October to 18 October 2005, AngloGold Ashanti Australia reduced its shareholding in Tanami Gold to 5%, with the sale of 8 million fully paid ordinary shares for a cash consideration of A\$1.3 million (\$1 million) and in February 2006, disposed of the entire investment in Tanami Gold with the sale of 19 million shares for a cash consideration of A\$3.9 million (\$3 million).

The business combination between AngloGold and Ashanti Goldfields Company Limited, initially announced on 16 May 2003, was completed with effect from Monday, 26 April 2004, following the confirmation by the High Court in Ghana on Friday, 23 April 2004, of the scheme of arrangements, in terms of which AngloGold acquired the entire issued share capital of Ashanti. In terms of the business combination, Ashanti shareholders received 0.29 ordinary shares or 0.29 ADSs of AngloGold for every Ashanti share or Ashanti GDS (Global Depositary Security) held. Each ADS represents one AngloGold ordinary share. Ashanti became a private company and a wholly owned subsidiary of AngloGold, and AngloGold changed its name to AngloGold Ashanti Limited on 26 April 2004, the effective date of the transaction. As a result of the business combination, a total of 38,400,021 ordinary shares were issued to Ashanti shareholders, 75,731 ordinary shares were issued to Ashanti warrant holders and 2,658,000 ordinary shares were issued to the government of Ghana in fulfillment of the agreements and undertakings contained in the Stability Agreement during 2004.

Following the business combination, \$75 million of Mandatorily Exchangeable Notes issued by Ashanti were redeemed.

On 27 February 2004, AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of \$1 billion principal amount 2,375% convertible bonds, due 2009. The bonds are guaranteed by AngloGold Ashanti.

On 1 July 2004, AngloGold Ashanti announced that it had entered into an agreement with Trans-Siberian Gold plc (TSG)

Group information cont.

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for the acquisition of a 29.9% stake in the company through an equity investment of approximately £18 million (\$32 million) in two subscriptions for ordinary shares. The terms for the second subscription of shares in TSG were subsequently revised and TSG shareholders approved a reduction in the subscription price from £1.494 per share to £1.30 per share. On 31 May 2005, the date on which the second subscription was finalised, AngloGold Ashanti's shareholding in TSG was 12,263,170 ordinary shares (29.9%). During June 2006, AngloGold Ashanti extended a loan to TSG in the amount of \$10 million. On 21 September 2006, AngloGold Ashanti announced that it had made an offer to acquire from TSG two of its exploration companies, namely Amikan (which holds the Veduga deposit and related exploration and mining licences) and AS APK (which holds the Bogunay deposit and related exploration and mining licences), for \$40 million cash. These exploration sites will be part of AngloGold Ashanti's initial contribution towards its strategic alliance with Polymetal, also as announced on 21 September 2006. Both transactions are anticipated to be completed during the first half of 2007.

On 5 August 2004, AngloGold Ashanti announced the sale of its Union Reefs assets to the Burnside Joint Venture, comprising subsidiaries of Northern Gold NL (50%) and Harmony Gold Mining Company Limited (50%), for a total consideration of A\$4 million (\$2 million). The Burnside Joint Venture is responsible for all future obligations associated with the assets, including remaining site rehabilitation and reclamation.

In a joint announcement on 10 September 2004, AngloGold Ashanti confirmed its agreement to sell its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited for a deferred consideration of \$2 million. The sole operating asset of Ashanti Goldfields Zimbabwe Limited was the Freda-Rebecca Gold Mine. The sale was effective on 1 September 2004.

On 11 October 2004, AngloGold Ashanti announced that it had signed an agreement with Philippines explorer Red 5 Limited to subscribe for a 12.3% stake in the expanded issued capital of Red 5 Limited for a cash consideration of A\$5 million (\$4 million). The placement was to be used to fund the exploration activities situated next to the current mineral

resources at the Siana Project, and to test the nearby porphyry gold-copper targets in the Surigao region of the Republic of the Philippines. On 26 August 2005, AngloGold Ashanti subscribed for additional shares in Red 5 Limited, for a cash consideration of A\$0.8 million (\$0.6 million), thereby increasing its holding to 14.1%. AngloGold Ashanti now holds 13% in Red 5 Limited, after the dilution in the shareholding resulting from the increase in issued share capital. For a period of two years commencing in October 2004, AngloGold Ashanti had the right to enter into Joint Venture arrangements on Red 5's tenements (excluding their Siana project) with the potential to earn up to a 67.5% interest in areas of interest through further investment in exploration in these Joint Venture areas. On 18 September 2006, AngloGold Ashanti elected to exercise a second Joint Venture option with Red 5 Limited – the Outer Siena Joint Venture, located to the south-east of Boyongan – in terms of which the company will spend a minimum of A\$1.5 million (\$1.2 million) in the first year with no interest. The company however may earn between 52% and 58.5% interest in two tenements through an additional expenditure of A\$4 million (\$3 million), with a right to increase its holding by 8% to 9% through an additional spend of A\$5 million (\$4 million). In 2004, Queenstake approached the Jerritt Canyon Joint Venture partners, AngloGold and Meridian Gold, about the possibility of monetising all or at least a majority of the \$6 million in deferred payments and \$4 million in future royalties, payable in the concluded sale of AngloGold's interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc., effective 30 June 2003. Based on the agreement reached between the parties, on 25 August 2004, AngloGold Ashanti was paid approximately \$7 million for its portion of the deferred payments and future royalties, thereby monetising all outstanding obligations, except for a minor potential royalty interest that AngloGold Ashanti retained.

Agreement was reached to sell AngloGold Ashanti's 40% equity interest in Tameng Mining and Exploration (Pty) Limited of South Africa (Tameng) to Mahube Mining (Pty) Limited for a cash consideration of R20 million (\$3 million). Tameng owns certain mineral rights in Platinum Group Metals (PGMs) on the farm Locatie Van M'Phatlele KS 457, on the northern limb of the Bushveld Complex in the Limpopo Province in South Africa. The sale was effective on 1 September 2004.

AngloGold Ashanti completed a substantial restructuring of its hedge book in January 2005, details of which are available in the December 2004 quarterly report which is available on the corporate website.

On 26 January 2005, AngloGold Ashanti signed a three-year revolving credit facility for \$700 million.

On 29 April 2005, AngloGold Ashanti announced the conditional sale of exploration assets in the Laverton area in Australia, comprising the Sickie royalty of \$30 per ounce, the

Child Harold prospect, various 100% AngloGold Ashanti Australia- owned interests including the Lord Byron and Fish projects as well as its interests in the Jubilee, Black Swan and Jasper Hills joint ventures to Crescent Gold Limited, for a total consideration of A\$4 million (\$3 million). The transaction was concluded in December 2006.

On 19 July 2005, Aflase Gold and Uranium Resources Limited (Aflase) announced that it had purchased from AngloGold Ashanti, its Weltevreden mine in exchange for Aflase shares in a transaction valued at R75 million (\$11 million). On 19 December 2005, Aflase was acquired by sxr Uranium One Incorporated (formerly Southern Cross Incorporated). The Director-General of Minerals and Energy notified AngloGold Ashanti in August 2005 that application for the new order mining rights in terms of the South African Mineral Resources and Petroleum Development Act had been granted. AngloGold Ashanti is of the conviction that the new **Group information cont.**

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mineral rights dispensation seeks to begin to remedy the economic legacy of apartheid by ensuring that economic opportunity becomes available to increasing numbers of South African citizens, while simultaneously seeking to maintain local and international economic confidence, and to promote economic growth.

On 11 August 2005, AngloGold Ashanti announced that it had disposed of its La Rescatada project to ARUNANI SAC, a local Peruvian corporation, for a total consideration of \$12.5 million, with an option to repurchase 60% of the project should economically viable reserves in excess of 2 million ounces be identified within three years. The exploration project is located approximately 800 kilometres south-east of the city of Lima in Peru.

On 27 February 2006, AngloGold Ashanti announced that it had signed an agreement with China explorer, Dynasty Gold Corporation, to acquire an effective stake of 8.7% in that company, through the purchase of 5.75 million Dynasty units at a price of C\$0.40 each. Each unit will consist of one ordinary share and one-half ordinary share purchase warrant, exercisable at a price of C\$0.60 per unit for two years.

On 10 April 2006, AngloGold Ashanti's shareholders in a general meeting gave authority to the directors to allot sufficient ordinary shares of the company to allow it to raise \$500 million before expenses but after underwriters fees in a private offering. On the same day AngloGold Ashanti announced that its offering of 9,970,732 ordinary shares had been priced at \$51.25 per ADS and R315.19 per ordinary share.

On 1 June 2006, AngloGold Ashanti and Bema Gold Corporation announced that they will form a new company which will jointly explore a select group of AngloGold Ashanti's mineral opportunities located in Northern Colombia, with initial work focused on the La Mina and El Pino targets. As part of the agreement, AngloGold Ashanti has initially agreed to provide a minimum of eight exploration properties while Bema will provide a minimum of \$5 million in exploration funding.

On 30 June 2006, AngloGold Ashanti (U.S.A.) Exploration Inc. (AngloGold Ashanti), International Tower Hill Mines Ltd (ITH) and Talon Gold Alaska, Inc. (Talon), a wholly-owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby AngloGold Ashanti sold to Talon a 100% interest in six Alaskan mineral exploration properties and associated databases in return for 5,997,295 ordinary shares of ITH stock, representing an approximate 19.99% interest in ITH. The sales transaction was closed on 4 August 2006. AngloGold Ashanti also granted to ITH the exclusive option to acquire a 60% interest in each of its LMS and Terra projects by incurring \$3 million of exploration expenditure on each project (total of \$6 million) within four

years of the grant date of the options. As part of the two option agreements, AngloGold Ashanti will have the option to increase or dilute its stake in these projects, subject to certain conditions.

On 14 July 2006, AngloGold Ashanti announced the signing of a Heads of Agreement with Antofagasta plc to jointly explore a highly prospective belt in Southern Colombia for new gold and copper deposits. AngloGold Ashanti will include all of its mineral applications, contracts and third party contracts within the area of interest in the new joint venture, while Antofagasta will commit to fund a minimum of \$1million of exploration within 12 months of the signing of the agreement, with an option to invest an additional \$7 million within four years in order to earn-in to 50% of the joint venture. Both AngloGold Ashanti and Antofagasta will have the right to increase their interests by 20% in copper-dominant and gold-dominant properties subject to certain conditions.

On 23 August 2006, AngloGold Ashanti announced that it had entered into an agreement with Central African Gold plc (CAG)

to sell its entire business undertaking, related to the Bibiani mine and Bibiani North prospecting permit and to transfer all assets, including all of Bibiani's employees, fixed mining and non-mining assets, inventory, trade debtors and intellectual property as well as the Bibiani lease and the Bibiani North prospecting license, and procure the cessation and delegation of all contracts related to Bibiani to CAG for a total consideration of \$40 million.

On 30 August 2006, AngloGold Ashanti announced that it had been advised by the Volta River Authority (VRA) of potential power shortages at its Ghanaian operations due to water shortages impacting the VRA's power generating facilities. This announcement was followed by an update on 6 September 2006 in which AngloGold Ashanti announced that following discussions between the VRA and the Chamber of Mines in Ghana, the industry had agreed to collaborate with the authority and the government of Ghana in a range of activities designed to minimise the impact of the power shortages on the economy and the mining industry and to provide for a sustainable solution in the future. At the same time, AngloGold Ashanti provided guidance to investors as to the potential impact of the power shortages on production at its three Ghanaian operations should the situation be prolonged.

On 21 September 2006, AngloGold Ashanti announced that it had entered into a 50:50 strategic alliance with Russian gold and silver producer, OAO Inter-Regional Research and Production Association Polymetal (Polymetal), in terms of which Polymetal and AngloGold Ashanti will co-operate in exploration and the acquisition and development of gold mining opportunities within the Russian Federation. On 8 January

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2007, Polymetal announced its plans to sell global depository receipts on the LSE and new and existing common stock on Moscow's Russian Trading System, part of the proceeds of which would finance the venture with AngloGold Ashanti.

On 2 October 2006, AngloGold Ashanti announced the imminent finalisation of an empowerment transaction with two components: the first being the development of an employee share ownership plan (ESOP) wherein all qualifying employees of AngloGold Ashanti's South African operations, including the corporate office, would be beneficiaries; and the second component being the acquisition by Izingwe Holdings (Pty) Limited (an empowerment company) of an equity interest in AngloGold Ashanti. On 11 December 2006, AngloGold Ashanti shareholders approved this transaction and shares were issued on 15 December 2006 to the Bokamoso Trust, which trust will hold and administer the shares on behalf of the employees participating in the employee share ownership plan, and Izingwe Holdings (Pty) Limited.

In each of the above matters, the investor public was duly informed through the routes prescribed by the stock exchanges on which the company is listed.

Products

AngloGold Ashanti's main product is gold. Revenue is also derived from the sales of silver, uranium oxide and sulphuric acid. AngloGold Ashanti sells its products on world markets.

Gold market

The gold market is relatively liquid compared with many other commodity markets. Physical demand for gold is primarily for fabrication purposes, including jewellery (which accounts for 80% of fabricated demand), electronics, dentistry, decorations, medals and official coins. In addition, central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value (a consequence of the tendency of gold to retain its value in relative terms against basic goods, and particularly in times of inflation and monetary crisis) and the large quantities of gold held for this purpose in relation to annual mine production have meant that, historically, the potential total supply of gold is far greater than demand at any one time. Thus, while current supply and demand play some part in determining the price of gold, this does not occur to the same extent as with other commodities.

Instead, the gold price has from time to time been significantly affected by macro-economic factors such as expectations of inflation, interest rate changes, exchange rate changes, changes in reserve policy by central banks, and by global or regional political and economic events. In times of price inflation and currency devaluation, gold is often bought as a store of value, leading to increased purchases and support for the price of gold.

The market in 2006

Continued strong levels of investor and speculator interest in 2006 combined with exceptional volatility in the first half of the year pushed the gold price to 26-year highs. After reaching a \$725 per ounce peak in the second quarter, gold pulled back to \$562 per ounce in June, followed by a renewed bout of investor interest that drove the price back to the mid-\$600s in July. Unsurprisingly, price volatility peaked in the second quarter, with relative stability returning to the gold market in the latter part of August and continuing through to year-end.

In 2006 there was again a correlation between the dollar exchange rate against the euro and the gold price. From an opening exchange rate of \$/

€1.18 for the year, the dollar closed the year at \$/€1.33, thus providing strong support for a higher gold price.

During 2006, the South African rand did not appreciate in line with the weaker US currency. The rand opened the year at R6.34/\$1 and closed the year very much weaker at R7.00/\$1. This weakening helped push the rand gold price to new highs of R157,000/kg in July and to an average of R131,335/kg for the year, or some 45% higher than the average rand gold price for the previous year.

Investment

The wholesale market of exchange traded funds (ETFs), commodity exchange activity and over-the-counter purchases was generally

strong in 2006, with particularly robust interest evident in the gold ETF market, which saw the launch of several new funds. The total net number of ounces held by ETFs almost doubled over the course of 2006, from 11 million ounces in January to 20 million ounces at year-end, and these investors would appear to be longer-term holders, as the ETFs only experienced small net disinvestment during periods of weakening gold prices.

Another key development in 2006 was the rise in investor interest in physical gold, especially among high net worth individuals seeking wealth preservation instruments in the face of continued geopolitical and economic uncertainty. This type of safe haven buying was a

Business overview – the gold market

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marked difference to the approach of this group to gold investments in the past several years, when the main focus seemed to be short-term profits.

Gold has also benefited from the move by some investment funds, such as pension funds, to allocate a portion of their assets to commodities. Some of this investment is made through commodity indexed funds, which saw investment values grow by some \$100 billion during the year.

Demand

The decline in physical offtake that began in the last quarter of 2005 continued through the first half of the year and into the early part of the third quarter. Although some recovery was seen in the last months of the year, total global demand for 2006 ended 5% lower year-on-year, or 3,866 tonnes compared with 4,070 tonnes in 2005. The decline was due chiefly to a considerable decrease in jewellery offtake, particularly apparent in the first two quarters of the year, when jewellery demand dipped below total mine production in the face of a high spot price and considerable volatility in the market. Scrap supplies of gold onto the market increased significantly during this period, and gold jewellery manufacturers were further adversely affected as banks made margin calls to cover the higher value of gold inventory loans. In response, manufacturers were generally forced to increase their loan collateral or repay loans by cutting production or liquidating stock.

A marked change in trend was evident in the third quarter when the gold price began to stabilise, albeit at relatively elevated levels.

This appeared to denote a move amongst consumers, particularly in Asia and the Middle East, towards accepting gold prices closer to \$600 per ounce. Consumption increases in the second half of the year were evident in key markets such as India, when declining price volatility coincided with the Diwali period, which resulted in record gold imports for the fourth quarter even as the spot price steadied above \$600 per ounce. To a lesser extent, a late-year recovery in consumption was also evident in most parts of the Middle East, and Chinese jewellery fabrication had actually increased by the end of December, supported primarily by local consumption, with 18-carat gold taking a rising share of the market. North America saw some of the most significant retail price increases in recent years, with gold jewellery consumption in the United States down significantly in tonnage terms in 2006, despite the industry's shift to lighter carat and mixed-material products in response to the year's price volatility.

Despite the recovery in the fortunes of the physical market during the second half of the year, the significant May price rise and the related volatility that was the hallmark of the first six months of the year had a sustained impact on jewellery exports to price sensitive markets, including India and the Middle East. Major gold jewellery manufacturer and export hubs, such as Italy, suffered in turn as many distributors were reluctant to commit to stocks later in the

year. The end result of a year of relatively high and volatile gold prices was a 16%, or 437 tonne, decline in global gold jewellery fabrication for the year.

Industrial demand grew healthily through the year, posting a 7% increase, thanks to especially robust demand from the electronics industry, which set a new record of 79 tonnes in the third quarter.

The importance of a strong physical market to provide offtake and floor price support remains. Significantly, research indicates that positive attitude and socio-economic changes have occurred among consumers, particularly women, in key markets towards gold jewellery, which bodes well for gold should investors and speculator interest subside.

Official market

Official sector sales for the year are estimated to be 330 tonnes, some 50% lower than in 2005. The main cause of this decline was the 34% drop in gold sales by the Central Bank Gold Agreement (CBGA) signatories after this group did not fully utilise their allocation, selling only 104 of their 500 annual permissible tonnes. This was read as a bullish signal for both the gold market and investors, with most market analysts continuing to speculate that the CBGA signatories are indeed unlikely to fulfil their full quota for the remaining three years of the agreement. On an equally positive note, the reserves of many of the Asian central banks continue to grow at a relatively fast rate, and the prospect remains for these banks to diversify their reserve holdings into other investments, including gold.

Hedging

Gold producers continued to reduce their hedging positions during the year through deliveries into hedges and through buybacks. It is estimated that this added some 403 tonnes of demand during 2006. It is expected that the hedged producers will continue this strategy in 2007.

As at 31 December 2006, the net delta hedge position of AngloGold Ashanti was 10.16 million ounces or 316 tonnes, valued at the spot price of gold on that day of \$636 per ounce. The marked-to-market value of the hedge position at this date was negative \$2.903 billion. Due to the higher gold price of \$636 per ounce at year-end compared with the previous year-end gold price of \$517 per ounce, the hedge position only reduced by 0.68 million ounces while the marked-to-market value increased by negative \$0.962 billion from a negative \$1.941 billion.

Marketing channels

Gold produced by AngloGold Ashanti's mining operations is processed to saleable form at various precious metals refineries. Once refined to a saleable product – either a large bar weighing approximately 12.5 kilograms and containing 99.5% gold, or smaller bars weighing 1.0 kilograms or less with a gold content of 99.5% and above – the metal is sold directly by the refineries to bullion banks and the proceeds are paid to the company.

Bullion banks are registered commercial banks that deal in gold. They participate in the gold market by buying and selling gold and distribute physical gold bullion bought from mining companies and refineries to physical offtake markets worldwide. Bullion banks hold consignment stocks in all major physical markets such as those in India and South East Asia, and finance such consignment stocks from the margins charged by them to physical buyers, over and above the amounts paid by such banks to mining companies for the gold.

Where forward sales contracts exist against which AngloGold Ashanti elects to deliver physical product, the same channel of the refinery is used. In this case, the refinery does not sell the metal on the company's behalf, but instead delivers the finished gold bars to the bullion bank with which the group's forward contract is held. The physical delivery to the counterparty bank of the appropriate amount

of gold fulfills AngloGold Ashanti's obligations under the forward contract, and AngloGold Ashanti is paid for this gold by the relevant bullion bank, at the price fixed under the forward contract, rather than at the spot price of the day.

Gold market development

Since its inception AngloGold Ashanti has been committed to growing the market for its product, particularly as gold jewellery sales in many developed markets have declined materially over the years in favour of other luxury goods. In response, the company's marketing programmes aim to increase the desirability of gold to sustain and grow demand and to support the deregulation of the

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market in key economies. AngloGold Ashanti's market development activities centre on the following areas:

strategic projects undertaken in key and critical gold jewellery offtake markets (USA, India, China, Italy, Middle East), which aim to develop positive corporate identification and recognition while achieving, where sensible and possible, financial returns for AngloGold Ashanti;

host country projects of a downstream development nature; and

AuDITIONS, the company's gold jewellery design competition.

AngloGold Ashanti remains a member of the World Gold Council (WGC) and through its membership receives assistance in all its marketing endeavours. Beyond this, AngloGold Ashanti has committed to undertake marketing projects in partnership with the WGC, which also separately ensures that core global co-operative marketing activities are serviced.

Strategic projects

INDIA

In India, the world's largest consumer market in terms of tonnage, gold demand is firmly based on cultural and religious traditions and is seen as a symbol of wealth and prosperity. It is also considered to be an auspicious metal that is bought and given as gifts during religious festivals.

With the assistance of a pre-eminent Indian jewellery retailer, AngloGold Ashanti's projects in India are intended to help bring about the modernisation of the country's traditional gold jewellery sector. One concept centres on transforming the traditional, semi-urban jewellery retailing environment into a more modern and efficient one that presents rural consumers with a high-quality, professional and trusted 'local' jewellery store, which can better compete with stores selling such lifestyle items as electronics and cell phones. Other concepts focus on the development and distribution of branded collections of jewellery into the market.

CHINA

China has been identified as a key strategic market by AngloGold Ashanti both because of its size – it is the third largest market worldwide for jewellery – and because of its potential for growth. In China, AngloGold Ashanti has partnered with a Hong Kong-based retailer to develop jewellery that targets the independent, educated woman wishing to express her independence and individuality through accessories in gold.

Together with the retailer, AngloGold Ashanti is co-sponsoring a gold jewellery design competition based on the theme Just Women to encourage the design of gold jewellery profiled on modern and independent Chinese women. The competition jewellery range will be commercialised and retailed through the partner's stores.

AngloGold Ashanti has also undertaken to support the development and roll-out of the partner's flagship retail outlets in key cities on mainland China.

USA

The American gold jewellery market – the largest region by value and third largest by volume – is characterised primarily as an adornment market in which gold jewellery is purchased mainly as a fashion accessory. During the past 10 years, there has been slippage in gold jewellery consumption in volume terms in this market relative to other luxury and lifestyle goods. Contributing in part to this decline has been the ‘commoditisation’ of gold jewellery with the mass-market retail channel tending to sell jewellery according to price rather than design style. Consumer research, however, suggests that customers here shop in a fashion- and trend-conscious way and are therefore receptive to brands and branding. Furthermore, this market is viewed by consumers in other important consumption categories as

an opinion- and trend-forming market, thus influencing the purchasing motives and buying patterns of the consumer base in the United States which in turn can influence other key consumption regions around the world.

In response to these factors, AngloGold Ashanti, together with the World Gold Council, partnered with a large United States jewellery wholesaler and distributor in 2005 to develop and promote at retail level selected collections of gold jewellery from the new product ranges of the Italian-based Gold Expressions manufacturers. This project was launched at the Vicenza Jewellery Fair in January 2006 and is intended to strategically promote the sale of fashionably-designed and progressively-styled gold jewellery in the United States retail market and to lay the foundation for Italian manufacturers to build either themselves or their products into consumer brands.

MIDDLE EAST

As a region, the Middle East (comprising the United Arab Emirates, Turkey and Saudi Arabia) is the second largest consumer market for gold in volume terms. The increase in disposable income in this region as a result of both higher oil revenues and rising numbers of tourists has had a positive impact on gold jewellery consumption.

While the challenge from increasingly more prominent lifestyle, luxury and branded products is clearly growing – as it is in other markets – the gold category in the Middle East has so far sustained its already high gold consumption per capita rates compared with growth in population and per capita disposable income.

AngloGold Ashanti has partnered with the WGC and a leading jewellery wholesaler in the region to develop a business concept to launch and promote at the local retail level selected collections of mid- to high-end gold jewellery from the product ranges of Italian-based manufacturers, some of whom already participate in the Gold Expressions initiative. The project is intended to improve the gold jewellery product and retailing proposition offered both to the domestic and also to tourist segments in the Middle East.

HOST COUNTRY JEWELLERY SECTOR DEVELOPMENT

Historically, AngloGold Ashanti's marketing efforts have been involved in the growth and development of the jewellery sector in countries that host the company's operations. These projects are intended to bring benefit to the company on several levels:

corporate image building;

creation of potential goodwill by supporting, where possible, host governments' beneficiation agendas; and

providing a platform for strategic market development projects.

These projects will continue to be important for jewellery sector development going forward and will be focused primarily in South Africa, Brazil and Ghana. AngloGold Ashanti continues to hold a 25% stake in OroAfrica, the largest gold jewellery manufacturer in South Africa, with projects in Ghana and Brazil currently under investigation.

AuDITIONS

In 2004, following the merger of AngloGold with Ashanti, the AngloGold Ashanti AuDITIONS brand was created to unite the

company's gold jewellery design competitions and to reinforce the company's brand in look, feel and character. The concept of AuDITIONS is premised on the metaphor of the performing arts, with designers auditioning in gold through their pieces.

The overall strategic objective of AuDITIONS is to stimulate innovative design in high-carat gold around the world in order to raise the profile of and stimulate demand for this jewellery category amongst consumers. By ultimately providing consumers with AuDITIONS-inspired consumer product, the project seeks to promote AngloGold Ashanti to jewellery industry participants and

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consumers and to build relationships with stakeholders in key gold markets.

It is the intention to build AngloGold Ashanti AuDITIONS into a global brand and, with the help of the WGC, the competition has been extended to the key gold markets of India and China, with the Middle East to be added in 2007. The first AuDITIONS India competition was launched in 2005, with the final awards event taking place in March 2006, while the first Chinese competition was launched in 2006 and will culminate in an awards event in March 2007.

Uranium

As South Africa's largest uranium producer, AngloGold Ashanti announced in July 2006 that its London-based nuclear fuel marketer and trader, Nufcor International Limited, a 50:50 joint venture with First Rand International had established and listed a new investment company, Nufcor Uranium Limited, on London's Alternative Investment Market (AIM). This new listing, in which Nufcor International holds 10% and the remaining shares are held by institutional investors, for the first time gives equity investors direct exposure to the uranium price in the form of U3O8 on a European exchange. Nufcor Uranium listed on AIM at 205 pence and ended the year up 49% at 304.50 pence. The strategy of Nufcor Uranium is to buy and hold uranium oxide, in the form of

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, for the long term and not to trade it actively. Nufcor International is contracted to provide custodial and advisory services to Nufcor Uranium.

More generally, the nuclear fuel market remained strong during 2006 with uranium oxide prices increasing from \$36 per pound to \$72 per pound by year-end and indeed increasing by a factor of 10 this decade. A number of drivers have sustained the price increases, including significant changes in the uranium sales processes. Most notable, however, is the fact that the underlying supply-demand fundamentals for uranium are strong, given robust projected demand for nuclear energy from countries such as India, Russia, and China. In addition, operational difficulties on the supply side in Canada in late October triggered the highest monthly increase in the uranium oxide price on record. Given these strong market fundamentals, further substantial increases in prices can be anticipated in the near term.

Results for the year

Average dollar gold spot price of \$604 per ounce, 36% higher than in 2005.

2006 received gold price increased by 31% to \$577 per ounce.

Adjusted gross profit up by 125% to \$1,058 million.

Adjusted headline earnings increased by 105% to \$413 million from \$201 million or to 151 US cents per share in 2006 from 76 US cents per share in 2005.

A final dividend of 240 South African cents per share or approximately 33 US cents per share was declared, resulting in a total dividend for 2006 of 450 South African cents or approximately 62 US cents per share.

Successful \$500 million equity raising in April 2006 at a discount of less than 1% to the prevailing market price.

Return on net capital employed increased from 5% to 9%.

Return on equity increased from 4% to 9%.

Gold production from continuing operations was 9% lower at 5.6 million ounces, largely owing to decreased production from the Tanzanian operations and planned reductions in production at the South African operations.

Total cash costs increased by 10% to \$308 per ounce, largely owing to the impact of stronger operating currencies, inflation and lower grades mined in the year.

Ore Reserves increased 6% to 66.9 million ounces and Mineral Resources 3% higher at 181.6 million ounces as at the end of December 2006.

Exchange rates

The average exchange rate for the year ended 31 December 2006 was R6.77:\$1 compared with R6.37:\$1 in 2005. The average value of the Australian dollar versus the US dollar for 2006 was A\$1:\$0.75 compared with A\$1:\$0.76 in 2005. The average value of the Brazilian real versus the US dollar for 2006 was BRL2.18:\$1 compared with BRL2.44:\$1 in 2005.

Gold production

The decrease in production of 531,000 ounces to 5.6 million ounces was largely a result of delays in the mining schedule to access the high-grade ore at the Geita mine in Tanzania, which reported production of 308,000 ounces in 2006 compared to 613,000 ounces in 2005, a decline of 305,000 ounces. The South African mines reported production of 2,554,000 ounces compared to 2,676,000 ounces in 2005, a reduction of 122,000 ounces, in line with our plans for 2006. With the move to tailings-only production, the Bibiani mine in Ghana produced 37,000 ounces in 2006 compared to 115,000 ounces in 2005, a reduction of 78,000 ounces, before the operation was sold at the end of November 2006. The remaining group mines generally reported production similar to that of 2005.

Income statement

Gold income

The average gold spot price of \$604 per ounce for the year was 36% higher than that in 2005. However, the received gold price increased

by \$138 per ounce or 31% to \$577 per ounce.

Gold income increased by 13%, rising from \$2,629 million in 2005 to \$2,964 million in 2006.

This increase was primarily a result of the improvement in the received price of gold offset by the reduction in ounces sold.

Cost of sales

Cost of sales declined by 1% from \$2,309 million in 2005 to \$2,282 million in 2006. This was largely attributable to the lower production, and a mix of currency and inflationary effects, resulting from increased mining contractor costs and higher diesel, fuel, transport and electricity prices. This was partially offset by the effects of cost-saving initiatives.

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Cost of sales changes can be analysed as follows:

Total cash costs decreased to \$1,746 million in 2006 from \$1,766 million in 2005 (although unit costs increased from \$281 to \$308 per ounce), mainly as a result of the 9% reduction in production to 5.6 million ounces in 2006. Of the \$27 per ounce increase in per ounce cash costs, \$14 per ounce was due to inflation and \$36 per ounce to lower grades. These increases were partially offset by efficiency savings of \$10 per ounce, favourable exchange variances of \$7 per ounce, higher by-product effects of \$3 per ounce and other variances of \$3 per ounce.

The cost savings programme was designed to eliminate \$100 million in costs by the end of 2006 and achieved savings of \$73 million.

Retrenchment costs were \$22 million in 2006 compared with \$26 million in 2005. The costs in 2005 were incurred as a result of a general cost efficiency drive, the downsizing of operations at Savuka as it moves to closure, and staff reductions at other South African mines. In 2006, the general cost efficiency drive was continued with \$15 million incurred at Obuasi and a further \$7 million at the South African mines.

Rehabilitation and other non-cash costs decreased by \$60 million compared with the previous year resulting in a credit of \$3 million compared to an expense of \$57 million, largely because of changes to estimates, the effect of interest rates in the discounting and a reassessment of the processes to be undertaken to complete the group's restoration obligations.

The amortisation of tangible assets at \$597 million was \$94 million higher than in 2005. This increase is largely attributable to a full year's amortisation of Moab Khotsong, which is in its first full year of production, and a reassessment of the useful lives of our mining assets in accordance with the revisions to the business plans at the beginning of the year.

Inventory movement increased by \$37 million in 2006 compared with an increase of \$10 million in 2005. The favourable movement in inventory arose mainly as a result of the increase in heap-leach inventory at Cripple Creek & Victor in the United States and grade streaming at Siguirin in Guinea which resulted in more ore being milled than was mined.

Other expenses

Corporate and other administration expenses increased by \$20 million on the previous year to \$84 million, mainly as a result of the costs associated with share-based payment expenses, increased audit fees related to the implementation of Sarbanes-Oxley and inflation.

Market development costs amounted to \$16 million, most of which was spent through the World Gold Council.

Exploration continued to focus around the operations in the countries in which the group operates, namely, Argentina, Australia, Brazil, Ghana, Guinea, Tanzania, Mali, Namibia, South Africa and the USA. In addition, exploration activities are moving to new prospects in the Democratic Republic of Congo, Colombia, Alaska, China, Mongolia and Russia. Total exploration spend for 2006 was \$103 million of which \$51 million was for greenfields exploration. The increase in exploration costs of \$24 million on the previous year was a result of increased expenditure particularly in South America and Australia.

Loss on non-hedge derivatives and other commodity contracts was \$239 million in 2006 compared to a loss of \$135 million in the previous year. The loss is primarily a result of the revaluation of non-hedge derivatives resulting from changes in the prevailing spot gold price, exchange rates, interest rates and greater volatilities compared with the previous year.

Other operating expenses include post-retirement medical provisions for operations, mainly in South Africa, of \$8 million and other employment costs of \$9 million.

The group incurred an operating special items loss of \$18 million which arose from an impairment of various assets of \$6 million, underprovisions in indirect taxes of \$28 million and share-based payment expenses of \$38 million arising from performance grants and the costs of the BEE transaction, partially offset by profits on the disposal of and recoveries from various assets of \$54 million.

Operating profit (loss)

The group achieved an operating profit in 2006 of \$246 million compared with an operating loss of \$34 million in 2005, as a result of the increased revenue from the average gold price, reduced costs of sales, offset by the effects of the unrealised loss on the hedges.

Adjusted gross profit increased by 125%, from \$470 million to \$1,058 million. Major factors affecting adjusted gross profit positively were the significantly higher gold price, which contributed \$773 million and the effect of weakening operating currencies, mainly in South Africa of \$54 million, improved by-product credits from sales of uranium, silver and sulphuric acid of \$39 million, and estimate revisions on rehabilitation and restoration of \$60 million. On the negative side was inflation, which reduced profit by \$89 million, lower grades mined \$229 million and increased royalties of \$19 million as a result of the higher average gold price. Amortisation costs increased due to increased capital expenditure.

Loss attributable to equity shareholders

After achieving an operating profit of \$246 million, the loss attributable to equity shareholders resulted from the net effect of the following: Interest received increased by \$7 million to \$32 million, mainly as a result of increased funds arising from the share issue completed during the year and the increased positive cash flow from the higher average gold price.

Finance costs increased by \$15 million to \$123 million, mostly as a result of interest due on overdrafts and bank loans, and the convertible bond. The unwinding of the decommissioning and restoration obligations amounted to \$16 million for the current year compared to \$9 million in the previous year.

The taxation charge increased by \$215 million to \$180 million from a credit of \$35 million in 2005, primarily a result of increased earnings for the year and the increase in effective taxation rates; the effect of non-allowable deductions mainly related to the hedge losses in non-taxable jurisdictions, BEE transactions and the effect of certain foreign operations exiting their tax holidays. Minorities' share of earnings of \$30 million.

Adjusted headline earnings increased by 105% from \$201 million to \$413 million. Factors affecting adjusted headline earnings were mainly those affecting adjusted gross profit, increases in corporate and operating expenses, increased interest received and finance costs.

Cash flow

Operating activities

Cash generated from operations was a combination of profits before taxation of \$168 million as set out in the income statement, adjusted for movements in working capital and non-cash flow items. The most significant non-cash flow items were the movement on non-hedge derivatives of \$627 million and the amortisation of tangible assets of \$597 million.

Cash generated by operations of \$1,281 million was reduced by normal taxes paid of \$143 million to \$1,137 million.

Net cash inflow from operating activities was \$1,137 million in 2006, which is 86% higher than the amount of \$612 million recorded in 2005.

The increase was mainly a result of the higher average gold price received for the year which in turn resulted in increased receipts from customers.

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Investing activities

Funds of \$1,137 million generated from operating activities were used to grow the group and a sum of \$817 million was invested in capital projects.

Total capital expenditure for 2006 was \$95 million more than in 2005, mainly owing to increased expenditure of \$101 million for the Cuiabá expansion in Brazil and, in Australia, for Sunrise Dam as well as the build-up at Boddington of \$48 million in 2006. This increased expenditure was offset by reduced expenditure of \$34 million in South Africa and \$20 million in Guinea.

Investments acquired during 2006 include an increase in investments in the rehabilitation trust funds established by AngloGold Ashanti in compliance with regulatory requirements, the investments made for the establishment of a listed vehicle fund in uranium by a joint venture.

Proceeds from the disposal of investments, tangible and discontinued assets amounted to \$132 million. This related to the disposal of assets and discontinued assets arising from the cessation of operations at Ergo and various smaller exploration properties and the net proceeds on disposal of part of the interest in the listed vehicle fund in uranium on its initial listing in London.

Financing activities

The net cash flows from financing activities decreased by \$192 million to an outflow of \$110 million in 2006 (inflow of \$82 million in 2005):

Proceeds from the share issue undertaken in April 2006 and employee share options exercised amounted to \$507 million,

Proceeds from borrowings during 2006 amounted to \$226 million, and included a \$140 million drawdown on the \$700 million syndicated loan facility and other sundry amounts.

Repayment of borrowings amounted to \$623 million and included \$415 million on the \$700 million syndicated loan facility, and \$129 million on short-term money market borrowings. Other loan repayments included normal scheduled payments in terms of loan agreements.

Dividend payments totalling \$132 million were made during the year, compared with dividends paid of \$169 million in 2005.

The net result of AngloGold Ashanti's operating, investing and financing activities was a net cash inflow of \$289 million which, when combined with the opening balance of \$209 million, and a negative translation of \$3 million, resulted in a closing cash and cash equivalents balance of \$495 million.

Overview of the hedge book

AngloGold Ashanti actively manages its hedged commitments in a value accretive manner. During 2006, in addition to delivering in and buying back a number of hedge contracts, the company also restructured a number of hedge contracts maturing in the near term into later years. The company currently believes that market circumstances favourable to the gold price are likely to remain in place for some time.

Outlook

AngloGold Ashanti expects production for 2007 to improve to 5.8 million ounces as Moab Khotsong continues to ramp up production, the Cuiabá expansion in Brazil is completed and higher grades are accessed at Sunrise Dam in Australia. Total cash costs are anticipated to be \$309 per ounce, based on the following exchange rate assumptions: R7.50/\$, A\$/0.76, BRL2.2/\$ and ARS3.15/\$. Capital expenditure for 2007 is expected to be \$1,070 million and will be managed in line with profitability and cash flows. The largest increase over prior years is due to Boddington in Australia and some expansion at the South African operations.

In order to simplify the reporting effect of gold hedges on the received price, from 1 January 2007, AngloGold Ashanti will report an average received gold price which will be similar across all of its mines.

Products and geographic locations

AngloGold Ashanti's main product is gold, although a portion of its revenue is derived from the sale of silver, uranium oxide and sulphuric acid. All of these products are sold on world markets.

As at the end of 2006, the company had 21 operations in 10 countries around the world. This follows the sale in the last quarter of the year of Bibiani, one of the company's Ghanaian assets, to Central African Gold for a total consideration of \$40 million. The transaction was completed on 1 December 2006. The 21 operations include Boddington, a joint venture expansion project with Newmont, which is currently under way in Australia.

Operating review

In 2006, gold production declined 9% to 5.6 million ounces, primarily as a result of lower ounces from the South African operations, from Geita in Tanzania, and from Cripple Creek & Victor in the United States. Total cash costs, at \$308 per ounce, were consequently 10% higher for the group in 2006.

Capital expenditure, at \$817 million, was 13% higher than that of the previous year. Of this, 33% was stay-in-business capital expenditure, 29% was ore reserve development primarily at the South African operations, and the remainder was applied to the development of new projects.

Key expansion projects in 2006 included the commissioning of the new South African mine Moab Khotsong, deepening projects at the TauTona and Mponeng mines, the expansion and deepening of the Cuiabá mine in Brazil, and, in Australia, the underground expansion of the Sunrise Dam mine and Boddington, the joint venture expansion project with Newmont.

Safety and health

In 2006, 37 AngloGold Ashanti employees regrettably lost their lives in work-related accidents (2005: 25). Of these fatalities, 32 occurred at the South African operations, two at Obuasi in Ghana, two at Siguiiri in Guinea and one at Yatela in Mali. The group's fatal injury frequency rate (FIFR) for 2006 marked a deterioration in what had been an improving trend in fatalities at 0.22 per million man-hours worked, compared with the 2005 rate of 0.14. Management has reviewed the safety strategy for the entire group and re-committed itself to taking every action to returning the company to the improving safety trends of recent years, with the obvious objective of achieving a fatality-free work environment.

The group's lost time injury frequency rate (LTIFR) in 2006 rose by 14% to 7.70 per million man-hours worked, in comparison with 6.77 in the previous year. Renewed efforts are being made to reverse this upward trend. Notwithstanding the overall increase in LTIFR, several operations reported excellent safety performances over the year,

Review of operations – introduction

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including Cripple Creek & Victor, which has operated without a lost-time injury since November 2003.

Comprehensive reporting on occupational safety and health, HIV/Aids and malaria, the environment, corporate social investment and labour practices and other issues relating to sustainable development can be found in the company's Report to Society 2006, which will be published at the end of March 2007 and will be available on the company's website at www.AngloGoldAshanti.com and the 2006 Annual Report website, www.aga-reports.com, or from the contact persons listed at the end of this report. The information published in the Report to Society is disclosed in accordance with the Global Reporting Initiative (GRI).

Outlook

Gold production in 2007 is expected to be around 5.8 million ounces. Total cash costs are estimated at \$309 per ounce, assuming the following exchange rates: R/\$7.50, A\$/0.76, BRL/\$2.20 and Argentinean peso/\$3.15. Capital expenditure is estimated to be around \$1,070 million, assuming the same exchange rates. Some 30% of this amount will be spent on the Boddington expansion project in Australia.

Location of AngloGold Ashanti's operations

Review of operations – South Africa

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In South Africa, AngloGold Ashanti operates seven underground mines located in two geographical regions on the Witwatersrand Basin. These mines are:

the Mponeng, Savuka and TauTona mines which comprise the West Wits operations; and

the Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong mines which make up the Vaal River operations.

Gold production from the South African operations declined by 5% to 2,554,000 ounces in 2006, due primarily to the reduced volumes mined at Tau Lekoa, which this year underwent a restructuring, and TauTona, where seismicity further reduced the planned lower volumes for the year. Despite decreased gold production, total cash costs improved by 2% to \$285 per ounce, partly as a result of cost savings initiatives implemented in the region. Cost savings of \$50 million were recorded for the year, achieved chiefly from operational efficiencies which contributed 57% to total savings, improved procurement practices (9%) and the restructuring of both the Savuka and Tau Lekoa mines (34%).

Great Noligwa, Kopanang and Tau Lekoa together produced 1.38 million pounds of uranium oxide in 2006.

In 2006, capital expenditure at the South Africa operations totalled \$313 million, with ore reserve development representing 60% of this amount, expansion capital 21%, and stay-in-business capital 19%. Major components of the expansion capital included the completion and commissioning of the Moab Khotsong mine, the deepening project at Mponeng, and the acceleration of the uranium plant upgrade in Vaal River.

Vaal River Operations

Great Noligwa

Kopanang

Tau Lekoa

Moab Khotsong

West Wits Operations

Savuka

TauTona

Mponeng

Pretoria

Johannesburg

Geology of the Witwatersrand Basin

The Witwatersrand Basin comprises a 6 kilometre-thick sequence of interbedded argillaceous and are nacreous sediments that extend laterally for some 300 kilometres north-east/south-west and 100 kilometres north-west/south-east on the Kaapvaal Craton. The upper portion of the basin, which contains the orebodies, outcrops at its northern extent near Johannesburg. Further west, south and east the basin is overlain by up to four kilometres of Archaean, Proterozoic and Mesozoic volcanic and sedimentary rocks. The Witwatersrand Basin is late Archaean in age and is considered to be around 2.7 billion to 2.8 billion years old.

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, which are generally less than two metres thick, and are widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different entry points and these are preserved as distinct goldfields.

There is still much debate about the origin of the gold mineralisation in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the conglomerates, but increasingly an epigenetic theory of origin is being supported.

Nonetheless, the most fundamental determinant of gold distribution in the basin remains the sedimentary features, such as facies variations and channel directions. Gold generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

West Wits

Description: The West Wits operations – the Mponeng, Savuka and TauTona mines – are located near the town of Carletonville in North West Province, south-west of Johannesburg, straddling the boundary with the province of Gauteng. Savuka and TauTona share a processing plant, while Mponeng has its own processing plant.

Geology: Two reef horizons are exploited at the West Wits operations: the Ventersdorp Contact Reef (VCR), located at the top of the Central Rand Group, and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases from east to west, from 400 metres to 900 metres, owing to non-conformity in the VCR. TauTona and Savuka exploit both reefs, while Mponeng only mines the VCR. The structure is relatively simple, with rare instances of faults greater than 70 metres.

The CLR consists of one or more conglomerate units and varies from several centimetres to more than three metres in thickness.

Regionally, the VCR dips at approximately 21°, but may vary between 5° and 50°, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin, varying from several

centimetres to more than 3 metres in thickness.

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South Africa

2006

2005

2004

Gold production (000oz)

2,554

2,676

2,857

Total cash costs (\$/oz)

285

291

284

Capital expenditure (\$ million)

313

347

335

Total number of employees,
including contractors

35,968

40,754

43,282

Review of operations – South Africa cont.*Page 48_AngloGold Ashanti***_Annual Financial Statements 2006**

Operating review

During 2006, production at Mponeng increased by 16% to 596,000 ounces as a result of higher volumes and an improved yield. Total cash costs consequently declined by 15% to \$237 per ounce, also aided by the benefit of the cost savings initiatives undertaken in the beginning of the year. In local terms, total cash costs were 10% lower at R51,524/kilogram.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts was considerably higher year-on-year at \$156 million, primarily as a result of both increased gold production and an improved price received.

Capital expenditure was marginally higher year-on-year at \$48 million.

At TauTona, production declined to 474,000 ounces due to the planned lower volume mined, as well as seismicity concerns in the first and fourth quarters of the year.

Total cash costs, in local currency terms, consequently increased by 12% to R58,419/kilogram and in dollar terms by 5% to \$269 per ounce, although the continued implementation of cost-savings initiatives at the mine helped offset the effect of reduced ounces.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts improved significantly to \$101 million, as a considerably higher price received helped mitigate the effect of a decline in production and increased total cash costs.

Mponeng

2006

2005

2004

Pay limit (oz/t)

0.23

0.34

0.41

Pay limit (g/t)

7.74

11.53

13.71

Recovered grade (oz/t)

0.290

0.267

0.237

Recovered grade (g/t)

9.93

9.15

8.14

Gold production (000oz)

596

512
438
Total cash costs (\$/oz)
237
279
322
Total production costs (\$/oz)
338
363
386
Capital expenditure (\$ million)
48
47
62
Total number of employees
5,284
5,574
5,876
Employees
4,760
4,897
5,164
Contractors
524
677
712

Capital expenditure, at \$70 million, was 5% lower year-on-year. At Savuka, the strength of the gold price led to a revision of the closure plans reported in the Annual Report 2005, and the operation's life has now been extended, although at a lower rate of production. Management of Savuka now falls under that of the neighbouring Mponeng mine.

Production for the year therefore totalled 89,000 ounces which, although 29% less than that produced in 2005, was 535% more than had been planned. Total cash costs decreased by 16% in local currency terms to R72,865/kilogram and by 22% in dollar terms to \$336 per ounce.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts increased to \$21 million from a loss in 2005 of \$8 million, owing to better cost control and a significantly higher price received for the year.

Capital expenditure for the year was minimal at \$2 million, compared with \$6 million in 2005.

Growth prospects

Mponeng VCR below 120 project: This project consists of four parallel declines which are to be sunk from the 120 level to gain access to the VCR reef on levels 123 and 126. The declines will be equipped with a conveyor belt, monorail and chairlift to service the new mining areas. The project, from which production will start in 2013, is expected to produce 2.5 million ounces of gold over a period of 10 years, at a capital cost of \$252 million, and will extend AngloGold Ashanti

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TauTona

2006

2005

2004

Pay limit (oz/t)

0.53

0.72

0.73

Pay limit (g/t)

18.25

24.43

24.47

Recovered grade (oz/t)*

0.297

0.281

0.317

Recovered grade (g/t)*

10.18

9.62

10.88

Gold production (000oz)

474

502

568

Total cash costs (\$/oz)

269

256

245

Total production costs (\$/oz)

384

364

311

Capital expenditure (\$ million)

70

74

65

Total number of employees

5,166

5,455

5,498

Employees

4,164

4,459

4,673

Contractors

1,002

996

825

*

Excluding surface (2005 and 2006).

the life of mine by approximately eight years. Construction is scheduled to begin in early 2007.

TauTona CLR below 120 level project: The CLR reserve block below 120 level is being accessed via a twin decline system into its geographical centre, down to 128 level. The project, from which production will begin in 2008, is expected to produce 2.6 million ounces of gold over a period of nine years (2009 to 2017), at a capital cost of \$168 million. Of this, \$56 million has been spent to date.

TauTona CLR shaft pillar extraction project: This project allows for stoping operations up to the infrastructural zone of influence. The project, from which production began in 2004, is expected to produce 534,000 ounces of gold over a period of six years (2004 to 2009), at a capital cost of \$45 million (converted at the 2005 closing exchange rate), most of which has been committed. The expected average project cash cost is \$118 per ounce.

VCR pillar project: This project aims to access the VCR pillar area situated outside the zone of influence (top and eastern block). The project, from which production began in 2005, is expected to produce 200,000 ounces of gold over a period of eight years (2005 to 2012), at a capital cost of \$19 million (at the 2005 closing exchange rate). Of this, \$11 million has been spent to date. The expected average project cash cost is \$158 per ounce.

Outlook

The 2007 projections for the West Wits operations are as follow:

Production at Mponeng is expected to decrease to 550,000

Review of operations – South Africa cont.

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Savuka

2006

2005

2004

Pay limit (oz/t)

0.31

0.45

0.44

Pay limit (g/t)

10.75

15.18

14.89

Recovered grade (oz/t)

0.224

0.198

0.181

Recovered grade (g/t)

7.68

6.80

6.19

Gold production (000oz)

89

126

158
Total cash costs (\$/oz)
336
430
455
Total production costs (\$/oz)
359
517
523
Capital expenditure (\$ million)
2
6
8
Total number of employees
1,040
2,325
3,229
Employees
975
2,178
3,001
Contractors
65
147
228

ounces at a total cash cost of approximately \$249 per ounce. Capital expenditure is expected to be \$87 million, with the bulk of this to be spent on the project to expand the mine to below the 120 level.

Production at TauTona should decline to 470,000 ounces and total cash costs are expected to improve to \$252 per ounce as a result of anticipated higher volumes. Capital expenditure will remain relatively high at \$79 million, most of which will be spent on a project to expand the mine below the 120 level, as well as on ore reserve development.

At Savuka, production will decline to 70,000 ounces, although the life of mine has been extended for at least another three years in terms of the restructuring programme.

Total cash costs are expected to be \$372 per ounce as a result of lower grades, while capital expenditure will be minimal at about \$4 million, and will be used primarily for ore reserve development and the maintenance of infrastructure.

Vaal River

Description: AngloGold Ashanti's Vaal River operations – Great Noligwa, Kopanang, Moab Khotsong and Tau Lekoa – are located near the towns of Klerksdorp and Orkney in the North West and Free State provinces.

The Vaal River complex also has four gold plants, one uranium plant and one sulphuric acid plant. Although these operations produce uranium oxide as a by-product, the value is not significant relative to the value of gold produced.

Geology: In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the C Reef:

the Vaal Reef contains approximately 85% of the reserve tonnage with mining grades of between 10g/t and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive non-conformities. Several distinct facies have been identified, each with its own unique gold distribution and grade characteristic;

the VCR has a lower grade than the Vaal Reef, and contains approximately 15% of the estimated reserves. The economic portion is concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers, or a thin conglomerate horizon. The reef is located at the contact between the overlying Kliprivierberg Lavas of the Ventersdorp Super Group and the underlying sediments of the Witwatersrand Super Group, which creates a distinctive seismic reflector. The VCR is located up to one kilometre above the Vaal Reef; and

the C Reef is a thin, small-pebble conglomerate with a carbon-rich basal contact, located approximately 270 metres above the Vaal Reef. It has less than 1% of the estimated reserves with grades similar to those of the Vaal Reef, but more erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west

and south-east, resulting in zones of fault loss.

Operating review

At Great Nologwa, production in 2006 decreased by 11% to 615,000 ounces owing primarily to a 13% decline in yield from 9.30g/t to 8.08g/t. Total cash costs in local currency terms were R56,390/kilogram, an increase of 5% due to the lower gold production. Continued focus on cost savings helped limit the effect of reduced production on the operation's costs and, in dollar terms, total cash costs were 1% better at \$261 per ounce.

Assisted by lower total cash costs, gross profit adjusted for the effect of unrealised non-hedge derivatives and other

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Review of operations – South Africa cont.

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commodity contracts increased by 79% to \$156 million. This was also as a result of the increase in the price received for the year.

Capital expenditure of \$49 million was 14% higher than that of 2005, largely as a consequence of the acceleration of the plan to upgrade the operation's uranium plant.

At Kopanang, a lower mine call factor and 5% decline in yield resulted in a decrease in production of 7% to 446,000 ounces for the year. As a result, total cash costs, at R62,908/kilogram, were 11% higher than those of the previous year. In dollar terms, total cash costs increased by 5% to \$291 per ounce.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts at \$109 million was double that of 2005. This increase was mainly the consequence of a 32% improvement in the price received.

Capital expenditure was steady year-on-year at \$41 million.

Tau Lekoa was downscaled in 2006 in order to return the operation to profitability in a rising gold price environment. As a result, production declined by 34% to 176,000 ounces, and total cash costs, at R94,730/kilogram, were 13% higher year-on-year. In dollar terms, total cash costs were \$440 per ounce, 7% higher year-on-year.

Gross loss adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts improved to \$4 million from a loss of \$14 million in 2005.

Great Noligwa

2006

2005

2004

Pay limit (oz/t)

0.28

0.39

0.43

Pay limit (g/t)

9.57

13.24

14.36

Recovered grade (oz/t)

0.236

0.271

0.303

Recovered grade (g/t)

8.08

9.30

10.38

Gold production (000oz)

615

693

795

Total cash costs (\$/oz)

261

264

231

Total production costs (\$/oz)

342

329

260

Capital expenditure (\$ million)

49

43

36

Total number of employees

6,579

6,856

7,100

Employees

5,883

5,704

6,192

Contractors

696

1,152

908

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04

05

06

Capital expenditure declined by 27% to \$11 million.

Moab Khotsong began commercial production in January 2006 and the operation was marked by the high total cash costs and low volumes typical of a deep-level underground operation's start-up phase. For the year, production was 44,000 ounces and total cash costs were \$655 per ounce or R141,574/kilogram. In 2007, production is expected to increase by 82%. Total cash costs will decline as this operation builds up to full production which is currently scheduled for 2012.

Gross loss adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts was \$22 million.

Capital expenditure declined by 12% to \$83 million.

Outlook

The 2007 projections for the Vaal River operations are as follow:

At Great Noligwa, mining into lower grade areas will continue and production is expected to decline to 580,000 ounces, at a total cash cost of \$295 per ounce.

Capital expenditure during 2007 is anticipated to be \$40 million, to be spent mostly on ore reserve development and infrastructure maintenance.

At Kopanang, grade is expected to increase in 2007 and production is scheduled to improve accordingly to approximately 470,000 ounces. Total cash costs are expected to decline to \$260 per ounce, while capital expenditure is anticipated to increase to \$59 million, and will

Kopanang

2006

2005

2004

Pay limit (oz/t)

0.32

0.39

0.43

Pay limit (g/t)

10.92

13.25

14.52

Recovered grade (oz/t)

0.204

0.215

0.215

Recovered grade (g/t)

7.01

7.38

7.37

Gold production (000oz)

446
482
486
Total cash costs (\$/oz)
291
277
281
Total production costs (\$/oz)
355
341
317
Capital expenditure (\$ million)
41
41
38
Total number of employees
5,815
6,030
6,312
Employees
5,360
5,506
5,758
Contractors
455
524
554

Review of operations – South Africa cont.

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be spent primarily on the construction of a new uranium leach plant as well as on ore reserve development.

Production at Tau Lekoa is expected to decline next year to 160,000 ounces, at which level it will remain relatively steady for the next several years. Total cash costs are anticipated to be in the region of \$426 per ounce. Capital expenditure will increase to around \$15 million in 2007.

Moab Khotsong's production is expected to nearly double in 2007 to 80,000 ounces. Consequently, total cash costs are expected to decline to \$470 per ounce. Capital expenditure, to be spent mostly on ore reserve development, is anticipated to remain steady at about \$80 million.

Moab Khotsong

2006

2005*

2004*

Recovered grade (oz/t)

0.185

Recovered grade (g/t)

6.35

Gold production (000oz)

44

Total cash costs (\$/oz)

655

Total production costs (\$/oz)

1,107

Capital expenditure (\$ million)

83

94

80

Total number of employees

2,904

2,521

1,874

Employees

1,539

1,320

1,066

Contractors

1,365

1,201

808

*

Commercial production began on 1 January 2006.

Tau Lekoa

2006

2005

2004

Pay limit (oz/t)

0.14

0.19

0.20

Pay limit (g/t)

4.85

6.23

6.81

Recovered grade (oz/t)

0.110

0.116

0.113

Recovered grade (g/t)

3.76

3.96

3.87

Gold production (000oz)

176

265

293

Total cash costs (\$/oz)

440

410

370

Total production costs (\$/oz)

614

509

432

Capital expenditure (\$ million)

11

15

25

Total number of employees

2,893

4,105

4,252

Employees

2,514

3,021

3,398

Contractors

379

1,084

854

AngloGold Ashanti

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Review of operations – Argentina

AngloGold Ashanti has a single operation in Argentina, Cerro Vanguardia. In 2006, the mine produced 215,000 attributable ounces of gold at a total cash cost of \$225 per ounce.

Description: Cerro Vanguardia is located to the north-west of Puerto San Julian in the province of Santa Cruz. AngloGold Ashanti has a 92.5% interest in the mine with the province of Santa Cruz holding the remaining 7.5%. Cerro Vanguardia consists of multiple small open pits with high stripping ratios.

Geology: The oldest rocks in this part of Patagonia are of Precambrian-Cambrian age. These are overlain by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens, and are associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during the Middle and Upper Jurassic age over an area of approximately 100,000 square kilometres. These volcanic rocks include the Chon Aike formation ignimbrite units that host the gold-bearing veins at Cerro Vanguardia. Post-mineral units include Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.

Gold and silver mineralisation at Cerro Vanguardia occurs within a vertical range of about 150 to 200 metres, in a series of narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing one set strikes about N40W and generally dips 65° to 90° to the east while the other set strikes about N75W and the veins dip 60° to 80° to the south.

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They are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms as massive quartz, banded chalcedonic quartz and quartz-cemented breccias.

Dark bands in the quartz are due to finely disseminated pyrite, now oxidised to limonite. The veins show sharp contacts with the surrounding ignimbrite, which hosts narrow stockwork zones that are weakly mineralised, and appear to have been cut by a sequence of north-east trending faults that have southerly movement with no appreciable lateral displacement.

Operating review

At Cerro Vanguardia, attributable gold production increased by 2% to 215,000 ounces. While the yield varied over the course of the year as anticipated, the average grade in 2006 was 7.3g/t compared with an average grade of 7.7g/t in 2005. Ore throughput, however, increased by 8% to 1 million tonnes in 2006.

Total cash costs rose by 32% to \$225 per ounce, mainly as a result of higher local inflation and increases in both commodity prices and

Cerro Vanguardia

2006

2005

2004

Pay limit oz/t

0.13

0.12

0.12

Pay limit g/t

4.56

4.02

4.05

Recovered grade oz/t

0.213

0.225

0.222

Recovered grade g/t

7.29

7.70

7.60

Gold production

000oz (100%)

232

228

229

000oz (92.5%)

215

211

211

Total cash costs \$/oz

225

171

156

Total production

costs \$/oz

361

277

274

Capital expenditure

\$ million (100%)

19

15

13

\$ million (92.5%)

18

14

12

Total number of employees

906

946

791

Employees

623

487

389

Contractors

283

459

402

Review of operations – Argentina *cont*

mine maintenance costs. The higher mine maintenance cost was associated with a programme undertaken this year to improve the availability of mine equipment.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts increased by 13% to \$35 million, primarily as a consequence of the improved price received.

Capital expenditure was 29% higher year-on-year at \$18 million, mainly owing to the purchase of new and replacement mine equipment and expenditure related to the heap-leaching project currently under way.

Growth prospects

During 2006, Cerro Vanguardia began an accelerated four-year brownfields exploration programme, the focus of which is shallow, high-grade mineral resources. Results have so far been encouraging, with 39,000 metres of reverse circulation drilling and 14,000 metres of diamond drilling having been completed in 2006.

Since 1998, Cerro Vanguardia has been stockpiling low-grade material with the intention of treating it through an industrial-size heap-leach operation. As of December 2006, 9.5 million tonnes of this material had been stockpiled and a pre-feasibility study to confirm the viability of the heap-leach pad was initiated during the year. The feasibility stage of this project will begin in the early part of 2007.

Outlook

In 2007, attributable production at Cerro Vanguardia is expected to decrease marginally to about 200,000 ounces, mainly as a result of anticipated lower grades. Total cash costs are expected to rise to approximately \$260 per ounce. Capital expenditure will also increase to around \$23 million (\$21 million attributable), largely owing to the start of construction of the heap-leach project facilities. The exploration effort will continue according to the original programme initiated in 2006 and 65,000 metres are expected to be drilled overall.

AngloGold Ashanti

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AngloGold Ashanti has two mines in Australia, Sunrise Dam and Boddington, both located in the western part of the country. The Sunrise Dam mine is 100% owned by AngloGold Ashanti, while the Boddington project, which is currently under construction and in which AngloGold Ashanti holds 33.33% equity, is a joint venture with Newmont Mining Corporation.

In 2006, production from Australia came solely from the Sunrise Dam operation and rose marginally to 465,000 ounces at a total cash cost of \$298 per ounce, some 11% higher than that of the previous year.

Sunrise Dam

Description: Sunrise Dam is located some 220 kilometres north-north-east of Kalgoorlie and 55 kilometres south of Laverton. The mine comprises a large open-pit operation and an underground project. Mining is carried out by contractors and ore is treated in a conventional gravity and leach process plant.

Geology: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high-strain shear zones (for example, Sunrise Shear) and steeply dipping brittle-ductile low-strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

Operating review

Production increased slightly at Sunrise Dam in 2006 to a record 465,000 ounces. This was primarily because of the operation's highest-ever quarterly production of 153,000 ounces in the final quarter, when mining concentrated, as planned, on the high-grade GQ lode in the open pit. Mining from the known underground reserves increased significantly, especially in the Sunrise and Western Shear zones. Gold production from the underground mine was 67,000 ounces. Record throughput was achieved in the process plant as a result of additional crushing and grinding circuit optimisation. Total cash costs rose to \$298 per ounce, primarily as a result of increased costs associated with diesel fuel and mining contractor rates, while gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts rose significantly year-on-year to \$137 million as a consequence of the higher price received.

Progress continued on the Sunrise Dam underground project, with 2,305 metres of underground capital development and 5,901 metres of operational development having been completed during the year. Capital expenditure amounted to \$24 million compared with \$34 million in 2005.

Growth prospects

The underground mining project involves the development of two declines and 125,000 metres of drilling from surface and

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Review of operations – Australia

AngloGold Ashanti

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underground. These declines have been developed in the vicinity of defined underground reserves, which are now being mined. They have also provided access for underground exploration drilling.

Underground resources have increased to 1.5 million ounces. The mineralisation is complex, varying in orientation, width and grade, although mining of the known reserves has provided valuable operating experience and prospectivity remains high.

Underground exploration is planned to continue in 2007.

Outlook

In 2007, gold production is expected to be about 580,000 ounces as mining of the open pit will continue in the high-grade GQ lode for the year. Production will be supplemented by approximately 85,000 ounces from the underground operation.

Total cash costs of around \$266 per ounce are expected. Capital expenditure is forecast to increase to \$34 million, which is to be spent primarily on the maintenance of infrastructure and underground development.

Boddington

Description: Boddington gold mine is located approximately 100 kilometres south-east of Perth. The former dominantly oxide open-pit operation closed at the end of 2001. Following Newmont's purchase of Newcrest's share of the project in March 2006, Newmont holds a 66.66% share in the project and AngloGold Ashanti a 33.33% share.

Sunrise Dam

2006

2005

2004

Pay limit (oz/t)

0.05

0.07

0.07

Pay limit (g/t)

1.64

2.27

2.14

Recovered grade (oz/t)*

0.099

0.107

0.101

Recovered grade (g/t)*

3.39

3.68

3.46

Gold production (000oz)

465

455

410

Total cash costs (\$/oz)

298

269

260

Total production costs (\$/oz)

376

363

326

Capital expenditure

(\$ million)

24

34

25

Total number of employees

382

375

356

Employees

99

95

88

Contractors

283

280

268

*

Open-pit operations.

Geology: Boddington is located within the Saddleback Greenstone Belt, a northwest-trending fault-bounded sliver of greenstones about 50 kilometres long and eight kilometres wide within the Archaean Yilgarn Craton.

The Boddington resource is located within a six-kilometre strike length and consists of felsic to intermediate volcanics and related intrusives. The resource is subdivided into Wandoo South and Wandoo North. Wandoo South is centred on a composite diorite stock with five recognisable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.

Operating performance, growth prospects and outlook

In March 2006, the Boddington expansion project was approved. On a 100% project basis, approximately \$669 million of a total budget of \$1.35 billion to \$1.5 billion had been committed by the end of 2006. Based on the current mine plan, mine life is estimated to be approximately 17 years, with attributable life-of-mine gold production totalling 4.7 million ounces of gold. Average attributable gold production in the first five years will be between 320,000 to 350,000 ounces per year, while on a life-of-mine average basis, attributable production is estimated to be between 270,000 and 300,000 ounces per year. AngloGold Ashanti's share of copper production, which will be sold as concentrate, is expected to be between 10,000 and 12,500 tonnes per year. Capital expenditure for 2007 is expected to be approximately \$312 million.

At the end of 2006, engineering was approximately 42% complete, and site construction had begun. The project is on schedule to start up in late 2008 early 2009.

Review of operations – Australia cont

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Boddington

2006

2005

2004

Capital expenditure

(\$ million) – 100%

180

12

8

Capital expenditure

(\$ million) – 33.33%

60

4

3

Total number of employees

97

66

45

Employees

12

18

12

Contractors

85

48

33

AngloGold Ashanti

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Review of operations – Brazil

AngloGold Ashanti's operations in Brazil comprise the wholly owned AngloGold Ashanti Brasil Mineração and a 50% interest in Serra Grande. In 2006, these mines together produced 339,000 attributable ounces of gold at total cash costs of \$195 and \$198 per ounce, respectively.

AngloGold Ashanti Brasil Mineração

Description: The AngloGold Ashanti Brasil Mineração complex is located in the municipalities of Nova Lima, Sabará and Santa Bárbara, near the city of Belo Horizonte in the state of Minas Gerais in south-eastern Brazil. Since the closing of the Mina Velha underground mine in 2003 and the Engenho D'Água open pit in 2004, ore is now sourced only from the Cuiabá underground mine and the Córrego do Sítio heap-leach operation. In January 2005, the board approved a major expansion at Cuiabá.

Geology: The area in which AngloGold Ashanti Mineração is located is known as the Iron Quadrangle and is host to historic and current gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes.

The host to the gold mineralisation is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group.

Cuiabá mine, located in the municipality of Sabará, has gold mineralisation associated with sulphides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold mineralisation with a common association between large-scale shear zones and their related structures. Where BIF is mineralised the ore appears strongly stratiform due to the selective sulphidation of the iron-rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

The controlling mineralisation structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at AngloGold Ashanti Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralisation is due to the interaction of low salinity carbon dioxide, rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulphide mineralisation consists of pyrrhotite and pyrite with subordinate arsenopyrite and chalcopyrite; the latter tends to occur as a late-stage fracture fill and is not associated with gold mineralisation. Wallrock alteration is typically chlorite, carbonate, potassic and silicic.

Operating performance

Production declined at AngloGold Ashanti Brasil Mineração in 2006 to 242,000 ounces from 250,000 ounces the previous year,

when production included some trial mining projects as well as the gold remnants from the clean-up of the old Morro Velho facilities. Total cash costs, at \$195 per ounce, were consequently 15% higher year-on-year. Despite both slightly higher costs and lower production, gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts rose 79% to \$86 million primarily as a result of an improved price received.

Growth prospects

Cuiabá expansion project: This project seeks to increase production at the Cuiabá mine from 830,000 to 1.3 million tonnes per annum and includes the construction of new treatment and tailings storage facilities, roaster and acid plant at an estimated total capital cost of \$180 million. The Cuiabá expansion project will involve the deepening of the mine from 11 level to 21 level and will result in annual production increasing from an average of 190,000 to 260,000 ounces from 2007; in the first year of operation of the expansion, production is expected to reach 300,000 ounces. The project is anticipated to add six years to the life of mine.

Córrego do Sítio underground sulphides project: This project focuses on exploring the viability of exploiting the potential sulphide ore resources of the Córrego do Sítio underground orebodies, namely Cachorro Bravo, Laranjeira and Carvoaria. In 2006, the pre-feasibility stage of this project was concluded (results are expected in early 2007), and the exploration campaign reached 1.4 million ounces of indicated mineable resources. The total resource for the project is 2.1 million ounces. This project is expected to produce 1.4 million ounces of gold over 14 years from 6.8 million tonnes of milled ore.

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AngloGold Ashanti Brasil Mineração

2006

2005

2004

Pay limit (oz/t)

0.09

0.11

0.11

Pay limit (g/t)

3.10

3.86

3.85

Recovered grade (oz/t)*

0.222

0.212

0.229

Recovered grade (g/t)*

7.60

7.27

7.85

Gold production (000oz)

242

250

240

Total cash costs (\$/oz)

195

169

133

Total production costs (\$/oz)

266

226

191

Capital expenditure (\$ million)

168

71

32

Total number of employees

3,611

2,597

2,243

Employees

1,546

1,363

1,222

Contractors

2,065

1,234

1,021

*

Underground operations

Review of operations – Brazil *cont*

AngloGold Ashanti

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Development of a ramp and the exposure of the Cachorro Bravo orebody are under way, as is the development of access drives to the Laranjeira and Carvoaria orebodies. Trial mining at the Cachorro Bravo orebody will continue into 2007.

Lamego: This project explores the orebodies comprising the Lamego property, which are distributed along the flanks and axis of a recumbent anticlinal in a northeast-southwest direction and with a south-eastern dip ranging between 250 and 350 metres. During 2006, the Carruagem orebody was partially developed as was the 01 panel of the Arco da Velha orebody. Construction of ramps to reach the 02 panel of the Carruagem, Queimada and Arco da Velha orebodies was also initiated. A surface infill drilling programme was completed to convert inferred resources to indicated resources.

This project is expected to produce approximately 500,000 ounces. However, given the geological similarity of Lamego to the nearby Cuiabá mine, and the lack of information regarding the deeper levels of Lamego, a more aggressive exploration programme has been budgeted for in 2007 in order to evaluate the possibility of increasing current expected production at Lamego to levels similar to those of the Cuiabá operation.

Outlook

In 2007, production at AngloGold Ashanti Brasil Mineração is expected to increase significantly to 320,000 ounces, primarily because of the commissioning and start-up of the Cuiabá expansion facilities. Total cash costs are expected to decline accordingly to around \$178 per ounce. Capital expenditure is anticipated to reduce markedly with the completion of the Cuiabá expansion project, and is expected to be around \$65 million. This will be spent mainly on remaining Cuiabá expansion expenditures, the Lamego and Córrego do Sítio projects, brownfields exploration, ore reserve development, and replacement equipment.

Serra Grande

Description: Serra Grande is located five kilometres from the city of Crixás, in the north-western area of the Goiás State in central Brazil. AngloGold Ashanti and Kinross Gold Corporation each own 50% of Serra Grande. The operation comprises two underground mines, Mina III and Mina Nova, and one open pit at Mina III, which will begin operation in 2007.

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antes formations of the Archaean Pilar de Goiás Group, which together account for a large proportion of the Crixás Greenstone Belt in central Brazil. The stratigraphy of the belt is dominated by basics and ultra-basics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting.

The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralisation is associated with massive sulphides and vein quartz material associated with graphitic and sericitic

schists and dolomites. The ore shoots plunge to the north-west with dips of between 6° and 35°.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock, usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures evident. The ultra-basics form the western edge of the belt and the basic volcanics and sediments form the core of the unit. The northern edge of the belt is in contact with a series of laminated quartzites and quartz sericite schists of the Lower

Review of operations – Brazil cont

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Proterozoic Araxa Group and a narrow band of graphitic schists and intermediate to ultra-basic volcanics.

The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied by significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás orebodies are adjacent to a major north-north-west basement fault, and an inferred major east-west to south-east bend in the original volcano-sedimentary basin. Early D1 alteration fluids were focused from south to north, adjacent to the north-north-west structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to north-west-south-east basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of significant mineralisation within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralising fluids probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing by bedding slip during Serra Grande

2006

2005

2004

Pay limit (oz/t)

0.09

0.09

0.09

Pay limit (g/t)

3.24

3.02

3.17

Recovered grade (oz/t)

0.219

0.231

0.228

Recovered grade (g/t)

7.51

7.93

7.80

Gold production (000oz)

– 100%

194

192

187
Gold production (000oz)
– 50%
97
96
94
Total cash costs (\$/oz)
198
158
134
Total production costs (\$/oz)
265
205
178
Capital expenditure
(\$ million) – 100%
17
13
7
Capital expenditure
(\$ million) – 50%
8
7
4
Total number of employees
817
775
710
Employees
609
566
514
Contractors
208
209
196

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folding. Gold mineralisation became minor and dispersed to the north and east along the frontal thrust flat zone. Concentrations of gold along the base of quartz vein may be due to the damming of fluids migrating upward along layering.

Operating performance

Attributable production at Serra Grande was 97,000 ounces for the year, in line with that of 2005. The steady appreciation of the Brazilian real, combined with lower grades, resulted in a 25% increase in total cash cost to \$198 per ounce, in spite of stable production.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts was nevertheless 18% higher at \$26 million, as a consequence of a significantly higher price received for the year.

Growth prospects

The Serra Grande brownfields exploration programme is focused on increasing reserves and resources in areas around Mina III, Mina Nova, and the Palmeiras project by means of underground and surface diamond drilling.

A study was carried out in 2006 proving the viability of mining the Mina III open pit. Production is expected to begin in mid-2007.

Results from the exploration programme under way at the nearby Palmeiras orebody justifies the construction of an exploratory ramp and an underground conceptual study. The latter is scheduled to begin in mid-2007.

Outlook

Attributable production at Serra Grande is expected to decrease to 90,000 ounces in 2007, mainly a result of the lower grades expected. Total cash costs will increase to \$244 per ounce, while capital expenditure is anticipated to increase to \$19 million (\$10 million attributable), the bulk of which will be spent on ore reserve development, the Palmeiras project and mine equipment.

AngloGold Ashanti has two operations in Ghana, Obuasi and Iduapriem. The sale of the third operation, Bibiani, was completed on 1 December 2006 and thus contributed to AngloGold Ashanti for 11 months of the year. Combined attributable production for the year was 592,000 ounces, a decrease of 13% on 2005, at a total cash cost of \$390 per ounce.

Obuasi

Description: The Obuasi mine is located in the Ashanti region in the south of Ghana. It is primarily an underground operation, although some surface mining still takes place. Ore is processed by two main treatment plants: the sulphide plant (for underground ore) and the tailings plant (for tailings reclamation operations). A third plant, the oxide plant, is used to batch-treat remnant opencast ore and stockpiles, of which there are adequate tonnages to keep the plant operational until 2008.

Geology: The gold deposits at Obuasi are part of the prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations that extend for a distance of approximately 300 kilometres in a north-east/south-west trend in south-western Ghana. Obuasi mineralisation is shear-zone related and there are three main structural trends hosting gold mineralisation: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

quartz veins, consisting mainly of quartz with free gold in association with lesser amounts of various metal sulphides such as iron, zinc, lead and copper. The gold particles are generally fine-grained and are occasionally visible to the naked eye. This ore type is generally non-refractory; sulphide ore that is characterised by the inclusion of gold in the crystal structure of a sulphide material. The gold in these ores is fine-grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulphide ore is generally refractory.

Operating performance

After three quarters of declining yields, Obuasi reported higher grades in the fourth quarter and ended the year with production of 387,000 ounces, slightly below that of 2005. Increased treatment of lower-grade ore throughout the year meant that yield in 2006 was 4.39g/t compared with 4.77g/t in 2005, which pushed up total cash costs by 15% to \$395 per ounce.

Gross loss adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts increased by 163% to \$42 million for the year.

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Review of operations – Ghana

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Growth prospects

The development of the deep-level ore deposits at the Obuasi mine has the potential to extend the life of mine by 35 years.

A feasibility study is currently underway to test this potential and is expected to yield results by early 2008.

Depending upon the results of this study, the full development of Obuasi Deeps may proceed.

Outlook

Production at Obuasi in 2007 is expected to increase marginally to 400,000 ounces. Total cash costs are expected to improve to around \$355 per ounce as a result of the implementation of cost-savings and right-sizing initiatives. Capital expenditure will decline to around \$87 million.

Iduapriem

Description: Iduapriem mine is located in the western region of Ghana, some 70 kilometres north of the coastal city of Takoradi, and 10 kilometres south-west of Tarkwa. The mine comprises two adjacent properties, Iduapriem and Teberebie. AngloGold Ashanti has an 80% stake in Iduapriem (the remaining 20% is owned by the International Finance Corporation) and a 90% holding in the Teberebie mine (the government of Ghana holds the remaining 10% interest). The combined AngloGold Ashanti stake is 85%.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralisation is

Obuasi

2006

2005

*2004

Pay limit (oz/t)†

0.229

0.177

0.188

Pay limit (g/t)

7.13

6.06

6.43

Recovered grade (oz/t)†

0.128

0.139

0.154

Recovered grade (g/t)†

4.39

4.77

5.27

Gold production (000oz)

387

391

255

Total cash costs (\$/oz)

395
345
305
Total production costs (\$/oz)
600
481
426
Capital expenditure (\$ million)
91
78
32
Total number of employees
7,839
8,295
6,747
Employees
5,629
5,852
6,029
Contractors
2,210
2,443
718

* For the eight months from May to December.

† Note pay limits and recovered grade refer to underground ore resources.

contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Operating performance

At Iduapriem, attributable gold production decreased by 4% year-on-year to 167,000 ounces following a series of mill and crusher breakdowns that affected the operation during the first two quarters of the year. Total cash costs rose by 6% to \$368 per ounce in response to the decline in production and inflation-driven increases in operating costs.

The higher price received resulted in gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts of \$7 million for the year, compared with a loss of \$2 million in 2005.

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Review of operations – Ghana cont.

Iduapriem

2006

2005

*2004

Pay limit (oz/t)

0.050

0.023

0.022

Pay limit (g/t)

1.60

0.72

0.76

Recovered grade (oz/t)**

0.051

0.050

0.050

Recovered grade (g/t)**

1.74

1.71

1.72

Gold production (000oz) – 100%

196

205

147

Gold production (000oz) – 85%

167

174

125

Total cash costs (\$/oz)

368

348

303

Total production costs (\$/oz)

478

451

423

Capital expenditure

(\$ million) – 100%

6

5

4

Capital expenditure

(\$ million) – 85%

5

4

3

Total number of employees

1,251

1,283

1,306

Employees

668

698

709

Contractors

583

585

597

*

For the eight months from May to December.

**

Open-pit operations.

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Attributable capital expenditure was \$5 million and was spent primarily on the start of the plant expansion project and general stay-in-business expenses.

Growth prospects

A plant expansion project to increase treatment capacity from 3.7 to 4.3 million tonnes a year began during the fourth quarter of 2006.

The expansion is expected to be commissioned in the third quarter of 2008 at a capital cost of \$41 million.

During 2007, a scoping study will be undertaken to evaluate the economics of exploiting the considerable low-grade mineral resources of other properties which lie in the Tarkwaian conglomerates extending below the economic limit of the pits.

Outlook

Production at Iduapriem in 2007 is expected to be 170,000 ounces as a result of a planned higher yield. Total cash costs are likely increase to around \$403 per ounce and capital expenditure will be significantly higher at \$46 million as a result of the plant expansion project.

Bibiani

Description: The Bibiani mine, which is located in the western region of Ghana, 90 kilometres west of Kumasi, was restarted in 1998 as an opencast mine with a carbon-in-leach (CIL) plant.

Geology: The Bibiani gold deposit lies within Birimian meta-sediments and related rocks which occur in the Proterozoic Sefwi

Bibiani

†

2006

2005

*2004

Pay limit (oz/t)

0.030

0.020

0.020

Pay limit (g/t)

0.83

0.70

0.70

Recovered grade (oz/t)**

0.016

0.042

0.056

Recovered grade (g/t)**

0.55

1.46

1.93

Gold production (000oz)

37

115

105

Total cash costs (\$/oz)

437

305

251

Total production costs (\$/oz)

464

482

369

Capital expenditure (\$ million)

–

7

7

Total number of employees

353

602

871

Employees

211

462

479

Contractors

142

140

392

*

For the eight months from May to December.

†

For the 11 months from January to November.

**

Surface and dump reclamation (2006) and open-pit operations
(2004 and 2005).

Belt of southern Ghana. Gold and gold-bearing sulphide mineralisation occurs in quartz-filled shear zones and in altered rocks adjacent to those shears. The full strike of the Bibiani structure is at least 4 kilometres. For metallurgical classification there are three main ore types at Bibiani: primary, transition and oxide. Further lithological classification gives four ore types: quartz (generally high grade), stockwork (medium-high grade), phyllites and porphyry (both low grade).

Operating performance

In the third quarter of 2006, the company announced the intended sale of Bibiani to Central African Gold for a total consideration of \$40 million. The deal was subject to certain regulatory conditions and was completed on 1 December 2006, effectively removing Bibiani's December production contribution.

Production declined steadily through the year in line with the forecast downscaling of the mine to a tailings-only operation. This downscaling, combined with the effect of the sale and a series of both power outages and circuit tank breakdowns in the second quarter, resulted in attributable production for 2006 of 37,000 ounces, a 68% decrease year-on-year.

Total cash costs were negatively affected by these operational difficulties, as well as by the lower tailings grades and recoveries, and therefore increased by 43% to \$437 per ounce for the year.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts was \$5 million for the year, compared with a loss of \$10 million in 2005. Improved profitability was mainly because of a 35% increase in the price received.

Outlook

The sale of Bibiani to Central African Gold was completed on 1 December 2006.

Review of operations – Ghana cont.

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Review of operations – Guinea

The Siguiri mine is AngloGold Ashanti's only operation in the Republic of Guinea. The government of Guinea has a 15% stake in the mine with the balance of 85% being held by AngloGold Ashanti. In 2006, the mine produced 256,000 attributable ounces of gold at total cash cost of \$399 per ounce.

Siguiri

Description: Siguiri mine, an open-pit operation, is located in the Siguiri district in the north-east of the Republic of Guinea, West Africa, about 850 kilometres from the capital city of Conakry. The nearest major town is Siguiri (approximately 50,000 inhabitants), located on the banks of the Niger River.

Geology: This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences. Two main types of gold deposits occur in the Siguiri basin and are mined, namely:

laterite or CAP mineralisation which occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above; and

in situ quartz-vein related mineralisation hosted in meta-sediments with the better mineralisation associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralised rocks have been deeply weathered to below 100 metres in places to form saprolite or SAP mineralisation. The practice at Siguiri has been to blend the CAP and SAP ore types and to process these using the heap-leach method. With the percentage of available CAP ore decreasing, however, a new carbon-in-pulp (CIP) plant was brought on stream during 2005 to treat predominantly SAP ore.

Operating performance

Once ball mill problems had been resolved in the first quarter of 2006, production at Siguiri improved and the operation finished the year with production of 256,000 attributable ounces, a 4% increase on that of the previous year.

Total cash costs were considerably higher year-on-year due to maintenance shut-downs and post-commissioning plant modifications, as well as higher fuel costs and increased royalty payments as a result of the rise in the gold price. Consequently total cash costs were \$399 per ounce in comparison with \$301 per ounce in 2005.

In spite of the higher spot price received for the year, gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts declined to a break-even position from \$12 million the previous year, mainly because of higher royalty payments, increased operating costs and additional amortisation charges related to the newly commissioned CIP plant.

Growth prospects

The new CIP plant has transformed this operation. Whereas Siguiri was previously a heap-leach operation, constrained by limited economically treatable mineral resources, the mine is now able to economically exploit the saprolitic ores that extend below the base of the existing pits. In addition, there is still considerable exploration potential adjacent to the existing mine infrastructure.

Outlook

At Siguiri in 2007, production is expected to increase to around 270,000 ounces where it should remain for the next several years. Total cash costs are anticipated to remain relatively steady at \$399 per ounce as the CIP plant settles into steady-state operation. Capital expenditure will remain steady at \$14 million, the bulk of which will be spent on brownfields exploration, tailings dam extensions and various small infrastructure projects.

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Review of operations – Guinea cont.

Siguiri

2006

2005

*2004

Pay limit (oz/t)

0.030

0.017

0.017

Pay limit (g/t)

0.94

0.55

0.59

Recovered grade (oz/t)**

0.032

0.035

0.032

Recovered grade (g/t)**

1.08

1.21

1.10

Gold production (000oz) 100%

301

289

98

Gold production (000oz) 85%

256

246

83

Total cash costs (\$/oz)

399

301

443

Total production costs (\$/oz)

552

414

534

Capital expenditure

(\$ million) 100%

16

36

57

Capital expenditure

(\$ million) 85%

14

31

48

Total number of employees

2,708

1,978

2,606

Employees

1,541

1,170

1,194

Contractors

1,167

808

1,412

*

For the eight months from May to December.

**

Open-pit operations (2005 and 2006) and heap leach operations (2004).

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Review of operations – Mali

AngloGold Ashanti has interests in three operations in Mali:

Sadiola (AngloGold Ashanti: 38%; IAMGOLD: 38%;

government of Mali: 18%; and International Finance

Corporation: 6%),

Yatela (owned by Société d'Exploitation des Mines d'Or de

Yatela SA in which AngloGold Ashanti holds 40%, IAMGOLD,

40% and government of Mali, 20%); and

Morila Joint Venture (AngloGold Ashanti: 40%, Randgold

Resources Limited: 40% and government of Mali: 20%). All

three mines are operated by AngloGold Ashanti.

In 2006, the Malian operations produced 537,000 attributable

ounces at total cash costs of \$270 per ounce (Sadiola), \$228 per

ounce (Yatela), and \$275 per ounce (Morila).

Sadiola

Description: AngloGold Ashanti manages the Sadiola mine, which is

situated within the Sadiola exploitation area in western Mali. The

mine is situated 77 kilometres south of the regional capital of Kayes.

Geology: The Sadiola deposit occurs within an inlier of

greenschist facies metamorphosed Birimian rocks known as the

Kenieba Window. The specific rocks that host the mineralisation

are marbles and greywackes which have been intensely

weathered to a maximum depth of 200 metres. A series of north-

south trending faults occurs that feeds the Sadiola mineralisation.

As a result of an east-west regional compression event,

deformation occurs along a north-south striking marble-

greywacke contact, increasing the porosity of this zone. North-

east striking structures, which intersect the north-south contact,

have introduced mineralisation, mainly with the marble where the

porosity was greatest.

The Sadiola Hill deposit generally consists of two zones, an upper

oxidised cap and an underlying sulphide zone. From 1996 until

2002, shallow saprolite oxide ore was the primary ore source.

Since 2002, the deeper saprolitic sulphide ore has been mined

and will progressively replace the depleting oxide reserves.

Operating performance

Attributable gold production increased by 13% year-on-year to

190,000 ounces in spite of a tailings pipeline replacement that

negatively affected tonnage throughput in the first quarter. Most of

the production improvement was related to steady treatment plant

operations and the higher yields achieved as a result of improved

metallurgical recovery on oxide ore and the increased treatment of

higher grade sulphide ore.

Total cash costs rose by 2% to \$270 per ounce, mainly owing

to increased royalty payments arising from the higher gold price.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts more than doubled to \$49 million. The higher costs were offset by increases both in production and, more significantly, in the price received. Capital expenditure decreased by 43% to \$4 million. The main areas of expenditure were additional fleet mobilisation charges, brownfields exploration and mining contract renewal costs.

Growth prospects

A recently completed pre-feasibility study showed that the hard sulphide ore below the current mining horizon can be mined economically at proven metallurgical recoveries. Additional test work is being conducted to enhance recoveries and a feasibility study is planned to begin early in 2007.

Outlook

In 2007, attributable production at Sadiola is expected to decline to around 170,000 ounces. Total cash costs are forecast to increase to about \$364 per ounce as a result of the higher cost of treating the harder sulphide ore, which will make up a greater proportion of the total ore treated in 2007. Attributable capital expenditure will increase to \$7 million and will be primarily spent on brownfields exploration to convert deep sulphides from inferred status to indicated status, and on the exploration of satellite pits. The remaining capital expenditure will

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Sadiola

2006

2005

2004

Pay limit (oz/t)

0.06

0.05

0.06

Pay limit (g/t)

1.98

1.80

1.76

Recovered grade (oz/t)

0.094

0.080

0.081

Recovered grade g/t

3.22

2.73

2.77

Gold production (000oz)

– 100%

500

442

459

Gold production

(000oz) – 38%

	190
	168
	174
Total cash costs (\$/oz)	
	270
	265
	242
Total production costs (\$/oz)	
	335
	336
	301
Capital expenditure (\$ million) 100%	
	11
	18
	16
Capital expenditure (\$ million) 38%	
	4
	7
	6
Total number of employees	
	1,294
	1,245
	1,159
Employees	
	589
	584
	550
Contractors	
	705
	661
	609
Review of operations – Mali <i>cont.</i>	

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be allotted to the deep sulphides feasibility study, the installation of a gravity circuit and camp relocation costs.

Yatela

Description: Yatela is located some 25 kilometres north of Sadiola and approximately 50 kilometres south-south-west of Kayes, the regional capital.

Geology: Yatela mineralisation occurs as a keel-shaped body in Birimian metacarbonates. The 'keel' is centred on a fault which was the feeder for the original mesothermal mineralisation, with an associated weakly mineralised diorite intrusion. Mineralisation occurs as a layer along the sides and in the bottom of the 'keel'. The ore dips almost vertically on the west limb and more gently towards the west on the east limb, with tight closure to the south.

Operating performance

Attributable production rose significantly to 141,000 ounces owing to a 38% increase in grade, from 2.99g/t in 2005 to 4.12g/t in 2006. Total cash costs declined by 13% to \$228 per ounce. This was the result of a favourable grade which was partially offset by a rise in operating costs as a result of a change at the beginning of the year from top-lift stacking of the heap-leach pad to bottom-lift stacking, which necessitated increased cement consumption.

Yatela

2006

2005

2004

Pay limit (oz/t)

0.06

0.05

0.06

Pay limit (g/t)

1.79

1.66

1.96

Recovered grade (oz/t)

0.120

0.087

0.099

Recovered grade g/t

4.12

2.99

3.41

Gold production

(000oz) 100%

352

246

242

Gold production

(000oz) 40%

141

98
97
Total cash costs (\$/oz)
228
263
255
Total production costs (\$/oz)
299
340
323
Capital expenditure
(\$ million) (100%)
3
5
7
Capital expenditure
(\$ million) (40%)
1
2
3
Total number of employees
878
910
1,033
Employees
203
210
208
Contractors
675
700
825

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts, at \$44 million, was 300% higher than in 2005 due to the 35% improvement in the price received and the increase in production.

Capital expenditure of \$1 million was 50% lower than that of the previous year and was incurred mainly on the construction of an additional leach pad.

Growth prospects

Mining of heap-leachable ore will cease in mid-2010 after which leaching and rinsing of the heaps will continue for some months. The potential for a small amount of sulphide ore below the existing Alamoutala deposit to be treated at Sadiola is being investigated.

Outlook

Attributable production at Yatela is expected to decline in 2007 to around 110,000 ounces, as the seventh push-back of the pit to access the next level of higher-grade ore gets under way. Total cash costs are forecast to increase to approximately \$326 per ounce.

Attributable capital expenditure is also expected to rise to approximately \$2 million. This will be primarily spent on additional leach pads to accommodate production from the push-back seven project.

Morila

Description: Morila is situated some 180 kilometres by road south-east of the capital of Mali, Bamako.

Review of operations – Mali cont.

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Morila

2006

2005

2004

Pay limit (oz/t)

0.08

0.07

0.09

Pay limit (g/t)

2.41

2.27

2.81

Recovered grade (oz/t)

0.113

0.158

0.130

Recovered grade (g/t)

3.88

5.41

4.44

Gold production

(000oz) – 100%

517

655

510
Gold production
(000oz) – 40%
207
262
204
Total cash costs (\$/oz)
275
191
184
Total production costs (\$/oz)
349
293
263
Capital expenditure
(\$ million) 100%
3
5
4
Capital expenditure
(\$ million) 40%
1
2
2
Total number of employees
1,575
1,183
1,398
Employees
500
478
479
Contractors
1,075
705
919

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Geology: Morila is a mesothermal, shear-zone-hosted deposit, which, apart from rising to surface in the west against steep faulting, lies flat. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralisation is characterised by silica-feldspar alteration and sulphide mineralisation consists of arsenopyrite, pyrrhotite, pyrite and chalcocopyrite.

Operating performance

Gold production at Morila declined significantly this year, from 262,000 attributable ounces in 2005 to 207,000 ounces in 2006. This was as a result of a general decrease in grade at the operation, from 5.41g/t to 3.88g/t, together with a major mill re-lining undertaken in the second quarter of the year that negatively affected tonnage throughput. There was a consequent 44% increase in total cash costs to \$275 per ounce for the year.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts rose by 33% to \$52 million as a result of the significant improvement in the price received for the year.

Capital expenditure was halved to \$1 million and was spent on various small projects, including a minor plant upgrade.

Growth prospects

A regional drilling programme to discover another significant orebody is being conducted over a period of two years at a cost of \$6 million.

Outlook

In 2007, attributable production at Morila is anticipated to decline slightly to 200,000 ounces while, given inflation and declining grades, total cash costs are expected to increase to approximately \$297 per ounce. In terms of the current plan, mining will continue until early 2009, after which treatment of stockpiled ore will continue for another three years. Attributable capital expenditure for 2007 will increase to \$4 million and will be spent primarily on converting the current power plant to heavy fuel oil usage. This is expected to have a positive effect on operating costs.

AngloGold Ashanti has one operation in Namibia, the Navachab mine. In 2006, the mine produced 86,000 ounces of gold at a total cash cost of \$265 per ounce, compared with 81,000 ounces at a total cash cost of \$321 per ounce in the previous year.

Navachab

Description: AngloGold Ashanti owns 100% of the Navachab open-pit gold mine, which is located near Karibib in Namibia, on the southern west coast of Africa.

Geology: The Navachab deposit is hosted by Damaran greenschist-amphibolite facies, calc-silicates, marbles and volcano-clastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralised zone forms a sheet-like body which plunges at an angle of approximately 20° to the north-west. The mineralisation is predominantly hosted in a sheeted vein set ($\pm 60\%$) and a replacement skarn body ($\pm 40\%$).

The gold is very fine-grained and associated with pyrrhotite, and minor trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80% of the gold is free milling.

Operating performance

In 2006, gold production rose by 6% to 86,000 ounces as increased tonnage throughput offset the effect of a decline in grade from 2.05g/t to 1.81g/t. Total cash costs decreased by 17% to \$265 per ounce as a result of the increase in gold production, as well as the benefits associated with a stronger US dollar in the third and fourth quarters of the year.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts more than doubled to \$22 million as a result of increases in both production and the price received.

Capital expenditure remained steady at \$5 million and was incurred mainly on preparation for mining of the Grid A satellite orebody and treatment plant optimisation.

Growth prospects

Historical studies on a potential pit expansion, which was previously uneconomical, are being reviewed given the current outlook for the gold price. Several brownfields prospects located within trucking distance are currently under investigation.

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Review of operations – Namibia

Outlook

Given the lower expected yields, total production at Navachab is estimated to decline slightly in 2007 to around 80,000 ounces.

Total cash costs are forecast to rise to approximately \$359 per ounce, with capital expenditure anticipated to remain steady at \$5 million. This will be spent mainly on a plant upgrade to accommodate higher tonnes in the future, as well as on brownfields exploration.

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Navachab

2006

2005

2004

Pay limit (oz/t)

0.04

0.05

0.05

Pay limit (g/t)

1.29

1.65

1.46

Recovered grade (oz/t)

0.053

0.060

0.046

Recovered grade (g/t)

1.81

2.05

1.59

Gold production (000oz)

86

81

67

Total cash costs (\$/oz)

265

321

348

Total production costs (\$/oz)

348

326

389

Capital expenditure

(\$ million)

5

5

21

Total number of employees

313

315

251*

Employees

313

315

251

Contractors

—

—

—

* No mining labour, contract or otherwise, was on site during the first half of 2004.

AngloGold Ashanti has one operation in Tanzania, the Geita Gold Mine. In 2006, Geita produced 308,000 ounces of gold at a total cash cost of \$497 per ounce. This compares with 613,000 ounces at a total cash cost of \$298 per ounce in 2005.

Geita

Description: The Geita mine is located 80 kilometres south-west of the town of Mwanza, in the north-west of the country. It is a multi-pit operation with a CIL plant that has the capacity to treat 6 million tonnes a year.

Geology: Geita is an Archaean mesothermal, mainly Banded Ironstone Formation (BIF)-hosted, deposit. Mineralisation is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower grade mineralisation can occur in the diorite as well (usually in association with BIF-hosted mineralisation). Approximately 20% of the gold is hosted in the diorite.

Operating performance

In 2006, gold production at Geita decreased by 50% to 308,000 ounces owing to a combination of factors. In the first quarter, drought reduced the water supply to the processing plant and subsequent heavy rains resulted in hauling constraints. This, combined with the slower-than-anticipated cut-back of the Nyankanga pit, resulted in a 46% drop in grade for the year. These matters also contributed to a 67% increase in total cash costs at Geita year-on-year, from \$298 per ounce in 2005 to \$497 per ounce for 2006.

The lower gold production resulted in a gross loss adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts of \$2 million compared with a profit of \$9 million in 2005.

Capital expenditure of \$67 million included infrastructural expenses associated with the change from contractor mining to owner mining, as well as the purchase of larger trucks and a shovel, and brownfields exploration.

Growth prospects

Exploration to identify and generate resources for the inferred category, as well as the conversion of resources into reserves, will continue. Current inferred resources are expected to add four years to life of mine reserves and significant additional surface and underground brownfields potential is anticipated.

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Review of operations – Tanzania

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Outlook

A partial slope failure in the Nyankanga pit in February 2007 has changed the mining sequence of the pit's high-grade area, reducing the 2007 Geita production outlook from a planned doubling to a 30% increase to 400,000 ounces. The planned volumes and grade will still be mined at the operation, but over a longer period of time. Total cash costs are expected to be \$479 per ounce, and capital expenditure will be in the region of \$53 million.

Geita

2006

2005

2004

Pay limit (oz/t)

0.13

0.07

0.09

Pay limit (g/t)

4.16

2.27

2.81

Recovered grade (oz/t)

0.049

0.092

0.109

Recovered grade (g/t)

1.68

3.14

3.74

Gold production

(000oz) – 100%

308

613

692

Gold production (000oz)

– 100% attributable from

May 2004

308

613

570

Total cash costs (\$/oz)

497

298

250

Total production costs (\$/oz)

595

387 328

Capital expenditure

(\$ million) 100%

67

78

14

Capital expenditure (\$ million)

100% attributable from

May 2004

67

78

13

Total number of employees

3,220

2,280

2,256

Employees

2,043

1,066

661

Contractors

1,177

1,214

1,595

Cripple Creek & Victor (CC&V) is AngloGold Ashanti's only operation in the United States and is located in the state of Colorado. The mine is 67% owned by AngloGold Ashanti with a 100% interest in the gold produced until loans extended to the joint venture are repaid. CC&V produced 283,000 ounces of gold at a total cash cost of \$248 per ounce in 2006.

AngloGold Ashanti also owns the Big Springs property in Nevada, which is currently in the final stages of reclamation and closure.

Cripple Creek & Victor

Description: CC&V is an open-pit operation located south-west of Colorado Springs in the state of Colorado.

Geology: The district of Cripple Creek is centred on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometres, and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite, quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently localised the formation of the Tertiary-aged, volcanic complex. The majority of the complex is filled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of Tertiary-aged intrusive dykes and sills that included syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations as do laccoliths and cryptodomes. District structures are generally near vertical and strike north-north-west to north-east. These structures are commonly intruded by phonolite dykes which appear to have also acted as primary conduits for the late-stage, gold mineralising solutions. Higher grade pods of mineralisation occur at structural intersections and/or as sheeted vein zones along zones of strike deflection. High-grade gold mineralisation is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralisation occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 metres and is also developed along major structural zones to even greater depths. Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralisation can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Operating performance

CC&V produced 283,000 ounces of gold in 2006, 14% less than in 2005, principally as a result of reduced rainfall in the region and the consequent reduction in irrigation of the heap-leach pad.

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Review of operations – United States of America

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Total cash costs were \$248 per ounce, an increase of 8% over those of 2005, primarily as a result of higher prices of consumables and greater mining activity, which resulted in the placement of 14% more tonnes of ore on the leach pad. The impact of the higher costs, however, was partially offset by the associated increase in recoverable ounces placed on the leach pad. By the end of 2006, the water shortage issue had been addressed and gold production had returned to normal levels.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts increased by 35% to \$23 million for the year, principally as a result of the higher price received.

Capital expenditure of \$13 million was 63% higher than that of the previous year and was spent mainly on increased brownfields exploration and upgrading the operation's water delivery systems.

Growth prospects

CC&V has begun a feasibility study to examine the viability of a proposed mine-life extension project which, as currently conceived, would involve the staged construction of an additional heap-leach facility together with the development of new ore sources within the existing claims. Critical path activities include additional reserve definition drilling, engineering and permitting. The proposed project has the potential to extend the mine life by as much as 10 years at current production rates.

Outlook

In 2007, CC&V gold production is expected to increase to 310,000 ounces, as water levels within the leach pad are optimised. Total cash costs are likely to increase to \$267 per ounce, mainly owing to the rising cost of commodity inputs. Total capital expenditure is anticipated to be significantly higher at \$25 million, the bulk of which will be spent on the mine-life extension project.

Cripple Creek & Victor

2006

2005

2004

Pay limit (oz/t)

0.01

0.01

0.01

Pay limit (g/t)

0.34

0.34

0.34

Recovered grade (oz/t)

0.016

0.018

0.018

Recovered grade (g/t)

0.54
0.62
0.61
Gold production (000oz)
283
330
329
Total cash costs (\$/oz)
248
230
220
Total production costs (\$/oz)
356
333
300
Capital expenditure (\$ million)
13
8
16
Total number of employees
369
357
387
Employees
325
313
313
Contractors
44
44
74

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Global exploration

The replacement of production ounces through near-mine (brownfields) exploration continued to remain a high priority for AngloGold Ashanti in 2006. During the year, brownfields exploration activities continued around most of the group's current operations. In 2006, exploration activities in new areas (greenfields exploration) were primarily focused on the Tropicana Joint Venture Project in Western Australia, in Colombia, and in the Democratic Republic of Congo (DRC). Joint ventures and partnerships with other companies facilitated additional greenfields exploration activities in Russia, China, Laos, Colombia and the Philippines, while the company divested its exploration assets in both Alaska and Mongolia during the year. The discovery of new long-life, low-cost mines remains the principle objective of the greenfields exploration programme, although AngloGold Ashanti is also committed to maximising shareholder value by exiting or selling those exploration assets that do not meet its internal growth criteria and also by opportunistically investing in prospective junior exploration companies.

During 2006, total exploration expenditure amounted to \$103 million, of which \$52 million was spent on brownfields exploration. The remaining \$51 million was primarily invested in three key greenfields areas (the Tropicana joint venture in Western Australia, in Colombia, and in the DRC), with the remainder being spent in Russia, China, the Operations with brownfields exploration

Location of AngloGold Ashanti's exploration ventures

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Philippines and Laos. Exploration expenditure is expected to increase to \$163 million in 2007, with \$77 million to be spent on brownfields exploration and \$86 million to be spent on greenfields exploration.

Argentina

At Cerro Vanguardia, drilling of over 30 linear kilometres along an extensive array of veins was completed to detect viable oreshoots. Brownfields exploration resulted in the generation of 600,000 ounces of Mineral Resources.

Australia

Brownfields: At Sunrise Dam, brownfields exploration continues to focus on increasing the underground Mineral Resource inventory and increasing the confidence category of resources so that Ore Reserve conversion can occur. Underground diamond drilling has been successful in identifying extensions to many of the known zones. At Boddington Gold Mine, six diamond drill rigs were employed by the end of 2006 on drill programmes to convert Inferred Mineral Resource to Indicated Mineral Resource within the planned pit and on near-pit resource extensions. Mineral Resource conversion drilling during 2006 focused primarily on the Central Diorite zone of the Wandoo South pit where, historically, broad zones of mineralisation have been intersected.

Greenfields: AngloGold Ashanti holds a 70% interest in the Tropicana Joint Venture Project, a 12,260 square kilometre tenement package located to the east and north-east of Kalgoorlie in Western Australia. Prior to the start of AngloGold Ashanti's exploration programme at Tropicana in 2002, no significant gold exploration had been undertaken in the district. Joint venture partner Independence Group NL holds a free-carried interest in the project until the completion of a pre-feasibility study, at which point Independence Group NL is required to begin to contribute in terms of its 30% interest.

Initial drill target generation at Tropicana has been achieved using primarily soil geochemistry, with wide-spaced soil sampling completed over the majority of the granted tenure. Drilling to date, at both the Tropicana zone and the recently discovered Havana zone, has confirmed the potential for the project to host a multi-million ounce gold resource. Additional early-stage targets requiring closer-spaced follow-up soil sampling and drill testing have also been identified regionally.

Gold mineralisation at the Tropicana prospect (including the Havana zone), which is located 200 kilometres east-south-east of AngloGold Ashanti's Sunrise Dam operation, has been defined by both reverse circulation and diamond drilling to extend over a strike length of approximately four kilometres. The mineralisation is open to both the south and down-dip, and drilling is currently testing a potential block of fault-offset mineralisation to the north. The company is currently undertaking an intensive exploration and resource development drilling programme at Tropicana, and a pre-feasibility study is expected to begin in early 2007. For a complete listing of drill results from the Tropicana prospect, see Independence Group NL's news

releases on www.independencegroup.com.au.

First-pass aircore drilling at the Beachcomber 1 prospect, located 220 kilometres south of the Tropicana prospect in the southern portion of the tenement package, has intersected four metres at 43.5g/t from a depth of 24 metres. Additional drilling is currently underway to understand the dimensions and significance of the result.

Brazil

At Córrego do Sítio, prospecting for both open pit and underground ore continued. Conversion of open-pittable Mineral Resources to reserves by in-fill drilling added 540,000 ounces to Ore Reserves. Some 7,000 metres were drilled during 2006 to

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Global exploration cont.

delineate ore shoots amenable to underground mining, although the orebodies are geometrically complex and will require detailed geological control during the exploitation phase. Drilling planned for 2007 will continue to concentrate on the Laranjeiras orebody.

Drilling has indicated an additional, probable economic orebody located south of Cachorro Bravo. Also at Córrego do Sítio, a new deposit (Paiol) is being delineated after three initial intersections returned encouraging results in the third quarter of 2006.

In March of 2006, Serra Grande acquired the mining rights to property adjacent to its current operations, permitting full access to the Palmeiras orebody, as well as to the potential upside in surrounding mineralised structures. Growth in Mineral Resources and Ore Reserves in 2006 amounted to net gains of 400,000 and 300,000 ounces respectively. This was mainly due to successful drilling and model interpretation of the open-pittable portions of the main orebodies and drilling in the vicinity of Corpo IV. Drilling in 2007 will focus on structurally controlled targets in a zone below Palmeiras and above Corpo IV.

China

In February 2006, AngloGold Ashanti announced the acquisition of an effective 8.7% stake in Dynasty Gold Corporation through a \$2 million private placement. Dynasty Gold is a Vancouver-based explorer with a 70% interest in the Red Valley project in Qinghai, the Wild Horse project in Gansu, and the Hatu project in Xinjiang. The proceeds of the AngloGold Ashanti placement are currently being used to fund further exploration at the Red Valley and Wild Horse projects, both of which are located in the prospective Qilian metallogenic belt. In addition to this equity investment, AngloGold Ashanti retains the right to enter into joint ventures at either or both of the Red Valley and Wild Horse projects, and may earn-in to a total 55% interest by investing \$5 million in exploration over three years. Results from a recently completed 5,397-metre diamond drill programme at Red Valley are currently being evaluated.

Complementing the company's equity investment in Dynasty Gold Corporation, AngloGold Ashanti also signed two separate co-operative joint ventures (CJV) in 2006 with local partners at Yili-Yunlong (in Xinjiang province) and Jinchanggou (in Gansu province). These prospects possess the potential for epithermal gold and porphyry copper-gold deposits, and orogenic gold deposits, respectively. Assuming final business registration approval is received from the Chinese regulatory authorities by early 2007, these projects are expected to form part of AngloGold Ashanti's 2007 greenfields exploration drilling programme.

Colombia

AngloGold Ashanti made significant progress in 2006 in the exploration of its extensive tenement position in Colombia, both through its own exploration activities and through its preferred joint venture partner strategy. AngloGold Ashanti has been active in

Colombia since 1999.

In terms of its own projects in 2006, AngloGold Ashanti completed first-pass drilling on the bulk-tonnage targets at Quinchia and Gramalote in central Colombia. Initial results included 255 metres at 1.16g/t and 275 metres at 1.2g/t at Gramalote, and 265 metres at 0.8g/t and 242 metres at 0.85g/t at Quinchia. Follow-up diamond drilling is underway at both Gramalote and Quinchia.

In order to capitalise on its first-mover advantage in Colombia and to optimise its resources in the process of exploring the country, AngloGold Ashanti also announced two exploration partnerships in the country during 2006. On 1 June, AngloGold Ashanti announced the signing of a Heads of Agreement with Bema Gold Corporation in order to form a new company to explore eight of AngloGold Ashanti's mineral opportunities located in northern Colombia. In terms of this agreement, the new company will have the right to earn-in to a 51% interest on any property that AngloGold Ashanti elects to farm-out

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within the area of interest by carrying out a minimum of 3,000 metres of exploration drilling and by matching AngloGold Ashanti's prior exploration expenditure. Bema Gold Corporation will provide a minimum of \$5 million in exploration funding.

On 14 July, AngloGold Ashanti announced the signing of a second Heads of Agreement with Antofagasta plc to jointly explore for new copper and gold deposits in the La Vega-Mocoa belt in southern Colombia. All of AngloGold Ashanti's mineral applications and contracts in the area of interest were included in the agreement and Antofagasta has committed to funding a minimum of \$1.3 million of exploration within 12 months of signing the agreement.

Democratic Republic of Congo (DRC)

Greenfields exploration activities in the DRC continued to focus on a 10 km x 15 km block surrounding the town of Mongbwalu in the north-eastern part of the country. Diamond drilling in 2006 remained concentrated on defining the resource potential of the mineralised mylonite zones at Adidi-Kanga at Nzebi-Senzere, together with following up on the significant new gold intercepts returned from the adjacent Pluto area. The mineralised mylonite zones in all three areas are shallow-dipping and occur at the contact between a granodiorite intrusive and volcano-sedimentary rocks of the Kilo greenstone belt. Two reverse circulation drill rigs and one diamond drill rig will be used in 2007 to accelerate the exploration programme in the area. The company is initially targeting a 3 million-ounce gold inferred resource in the combined Adidi-Kanga and Nzebi-Senzere areas.

Regional drill target generation and evaluation programmes in the Kilo greenstone belt will also be accelerated in 2007. An airborne geophysical survey, centred on Mongbwalu and extended to cover the highest priority targets in the region, is scheduled to be flown in early 2007. First-pass drill testing of targets will then be undertaken on a priority basis.

Ghana

Surface drilling continued throughout the year at Obuasi with the deep surface borehole UDSDD 3 intersecting the main reef fissure at 1697.38 metres to 1766.20 metres. Both the UDSDD 2 and UDSDD 3 holes are currently experiencing technical problems that have severely curtailed progress. As a result, one of the holes has been stopped and replaced by a hole drilled from underground.

Guinea

Drilling at Siguiri in 2006 focused on identifying and then following up known mineralisation at Kintinian, Eureka North, Kosan North and Sintroko West prospects. Reconnaissance drilling was also undertaken at the the Foulata and Saraya anomalies. Reverse circulation drilling of selected portions of the spent heap leach in order to define a Mineral Resource began.

Laos

Regional reconnaissance exploration activities continued in Laos during 2006 as part of AngloGold Ashanti's exploration alliance with Oxiana Limited. A number of new target areas were defined and a

follow-up field review is underway. AngloGold Ashanti also extended its Laos exploration alliance agreement with Oxiana for another year and amended the alliance to include the Sanakham Project area, which is still under application.

Mali

At Morila, regional drilling was undertaken on the grant defined sub-economic mineralisation in the vicinity of the open-pit. The additional knowledge generated by drilling this campaign will be used to update the regional geological model and to further define drill targets in 2007. Infill drilling campaigns around the pit margin continued to upgrade the confidence of the Mineral Resource, while a drilling programme targeting underground potential was initiated at the near-pit Samacline anomaly.

Global exploration cont.

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At Sadiola, exploration in 2006 focused primarily on further defining the hard sulphide orebody that lies below the main pit. This orebody is currently the focus of an economic study and is expected to extend the mine's life. Infill drilling also occurred at the Tambali South and FE4 prospects, while reconnaissance drilling was undertaken at the smaller anomalies of Lakanfla East and Sekokoto South East.

Mongolia

Exploration activities in Mongolia were terminated in early 2006 and the tenements and related data packages were subsequently sold to a third party.

Namibia

At Navachab, infill drilling was undertaken north of the main pit, with the intention of converting Inferred Mineral Resources to Indicated Mineral Resources. A high-resolution magnetic survey over the mining licence was completed during the year and used to define further targets. Drilling focused on the Gecko central and north prospects with 1,000 metres of reverse circulation drilling returning positive results. Infill drilling was also undertaken at Anomaly 16, located about five kilometres west of the main pit.

Philippines

In 2006, AngloGold Ashanti elected to exercise its right to proceed to a second joint venture with Red 5 Limited on the Outer Siana area. This area comprises two tenements which surround, but do not include, Red 5's proposed Siana open pit development. AngloGold Ashanti and Red 5 have also entered into a joint venture to explore the Mapawa area, which is located 20 kilometres north of Siana and has potential to contain both epithermal style gold and porphyry style copper-gold deposits. The start of detailed exploration at Mapawa currently awaits the granting of a mineral production sharing agreement by the Mines and Geosciences Bureau in Manila.

Russia

On 21 September 2006, AngloGold Ashanti announced its intention to enter into a 50:50 strategic alliance with Russian gold and silver producer, Polymetal, in which the two companies would co-operate in the exploration, acquisition and development of gold mining assets within the Russian Federation. Simultaneously, AngloGold Ashanti agreed to acquire Trans-Siberian Gold's (TSG) interests in the Veduga and Bogunay projects in Krasnoyarsk for a consideration of \$40 million and to contribute these assets to the strategic alliance with Polymetal. In return, Polymetal agreed to contribute two projects – Imitzoloto and Eniseevskaya – located in Krasnoyarsk and Chitay respectively and valued at \$16 million, to the new alliance, as well as to make an initial payment of \$12 million to AngloGold Ashanti.

Having acquired its Veduga and Bogunay projects, AngloGold Ashanti continues to hold a 29.9% stake in TSG.

The strategic alliance is expected to be finalised by the end of the

first quarter, 2007.

As a direct result of the new strategic alliance with Polymetal, AngloGold Ashanti also announced the termination of its exploration alliance with Eurasia Mining plc in respect of the Chita and Buryat regions of eastern Russia.

South Africa

At Moab Khotsong, the drilling of two surface boreholes continued and a third hole was initiated during the year. These boreholes are together intended to further define the geological model of the mine. Borehole MZA9 deflected on reef that averaged 5.13 grams per tonne over 82.2 centimetres (giving 422 cm.g/t) at 3204.29 metres in three acceptable intersections. The Vaal Reef was intersected at 3108.10 metres in the long deflection, and short deflection drilling is

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in progress. Borehole MGR 7 successfully intersected the Vaal Reef. A short deflection program on the Vaal Reef gave: 12.73 grams per tonne over 43.9 centimetres (giving 559 cm.g/t) at 3424.11 metres. Long deflection drilling is still in progress. Borehole MMB5 was collared during the year and has advanced to 2733.95 metres in Witwatersrand Quartzites (Elsburg Formation).

Tanzania

At Geita, drilling programmes showed extensions to known orebodies at the Ridge 8 – Star & Comet gap as well as in the Nyankanga South area. Infill drilling programmes aimed at generating open-pit Mineral Resources were undertaken at the Lone Cone and Area 3 West prospects. An airborne electromagnetic geophysical survey was completed over a portion of the grant during the year.

United States

Brownfields

At Cripple Creek & Victor in Colorado, infill and step-out development drilling focused on the South Cresson Deposit in 2006, and the final location of the west high wall and step-out drilling between the Main Cresson and the South Cresson pits has now been prioritised. Infill drilling at 60-metre spacings was also carried out within the Life of Mine Extension Project area to determine geological potential for additional ore.

Greenfields

The divestiture of AngloGold Ashanti's Alaskan exploration assets to TSX-listed International Tower Hill Mines Limited (ITH) was completed in August 2006. The company vended to ITH a 100% interest in six existing exploration properties (Livengood, West Pogo, Coffee Dome, Gilles, Caribou and Blackshell) together with the rights to a newly-staked property, Chisna. In addition, ITH retained an exclusive option to earn-in to 60% in each of the Lost Mine South and Terra properties in return for funding \$3 million in exploration within four years. AngloGold Ashanti received a 19.99% equity stake in ITH in consideration of the divestiture.

Moz

December 2005 Mineral Resources

175.8

Reductions

2006 total depletion

-8.3

Tau Tona – areas on both the Ventersdorp Contact Reef and Carbon Leader Reef Shaft Pillars were determined not to have economic potential.

-1.9

Moab Khotsong – due to new exploration drilling

-1.4

Sadiola – due to a change in methodology when compared to the 2005 Mineral Resource

-0.9

Bibiani Mine – due to sale of asset

-0.9

Other – total of non-significant changes

-0.5

Additions

Obuasi – due to exploration and changes in estimation methodology below 50 level area

5.2

Boddington – due to successful exploration

2.1

Navachab – due to successful exploration, increased gold price and improved mining efficiencies.

2.1

Geita – due to revised Mineral Resource Models, successful exploration and increased gold price.

2.1

Siguiri – due to successful exploration and increased gold price.

1.5

Savuka – due to increased gold price

1.2

Cripple Creek and Victor – due to successful exploration and gold price

1.1

Iduapriem – due to increased gold price

0.7

Cerro Vanguardia – due to successful exploration

0.6

West Wits Surface – due to inclusion of tailing dams as a result of the increased gold price

0.5

Serra Grande – due to the successful exploration in the Open Pit and Mina Nova areas

0.2

Yatela – due to increased gold price

0.2

Other – total of non-significant changes

2.0

December 2006 Mineral Resources

181.6

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Mineral Resources and Ore Reserves

Ore Reserves and Mineral Resources are reported in accordance with the minimum standard described by the Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition), and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the SAMREC 2000 Code). Mineral Resources are inclusive of the Ore Reserve component unless otherwise stated.

Mineral Resources

The 2006 Mineral Resource increased by 14.1 million ounces to 181.6 million ounces before depletion. After a depletion of 8.3 million ounces, the net increase is 5.8 million ounces. Mineral Resources were estimated at a gold price of \$650 per ounce in contrast to the \$475 used in 2005. The increased gold price resulted in an increase of 5.8 million ounces while successful exploration and revised modelling resulted in a further increase of 7.6 million ounces.

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Ore Reserves

Total AngloGold Ashanti Ore Reserves increased from 63.3 million ounces in 2005 to 66.9 million ounces in December 2006. A year-on-year increase of 10.1 million ounces (16%) occurred before depletion and an increase of 3.6 million ounces (6%) occurred after depletion.

A gold price of \$550 was used for Ore Reserve estimates in contrast to the \$400 used in 2005. The change in economic assumptions made from 2005 to 2006 resulted in the Ore Reserve increasing by 3.7 million ounces while exploration and modelling resulted in an additional increase of 6.6 million ounces.

Moz

December 2005 Ore Reserves

63.3

Reductions

2006 total depletion

-6.5

Moab Khotsong – due to drop in values as a result of drilling

-0.4

Bibiani Mine – due to sale of asset

-0.1

Other – total of non-significant changes

-0.4

Additions

Mponeng – due to the inclusion of the VCR below 120 level project and higher gold price

2.9

Cripple Creek and Victor – due to planned extension of life

1.1

Sadiola – due to the inclusion of the Deep Sulphide Project

1.0

Boddington – due to upgrade of Inferred Mineral Resources in the Pit and increased gold and copper prices.

0.7

Sunrise Dam – due to inclusion of North-Wall Cutback and Cosmo Ore-bodies because of an increased gold price

0.7

Iduapriem – due to increased gold price

0.5

Tau Leko – due to increased gold price

0.5

AGA Mineração – due to Córrego do Sítio Sulphide exploration drilling and Cuiabá development

0.5

Cerro Vanguardia – due to successful exploration program and increased gold price

0.4

Siguiri – additional pit included due to increased gold price

0.4

Navachab – due to the increased gold price marginal ore is now economic and the pit is larger

0.3

Savuka – due to the increased gold price

0.3

Yatela – due to the inclusion of an additional cutback

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0.2	
Serra Grande – due to incorporation of an open pit and the development of levels with higher tons than expected	
0.2	
Morila – due to the increased gold price marginal ore is now economic	
0.1	
Other – total of non-significant changes	
1.4	
December 2006 Ore Reserves	
66.9	

By-products

A number of by-products are recovered as a result of the processing of gold ore reserves.

These include 11.8 thousand tonnes of uranium from the South African operations, 0.19 million tonnes of copper from Australia, 0.50 million tonnes of sulphur from Brazil and 24.5 million ounces of silver from Argentina. Details of the by-product Mineral Resources and Ore Reserves are given in the supplementary statistics document which is available on the corporate website, www.AngloGoldAshanti.com.

Audit of 2005 Mineral Resource and Ore Reserve statement

During the course of the year, the AngloGold Ashanti 2005 Mineral Resource and Ore Reserve Statement was submitted to independent consultants for review. The mineral resources and ore reserves from six of AngloGold Ashanti's global operations were selected and reviewed. The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti's reserves and resources were evaluated. It is the company's intention to continue this process so that all its operations will be audited over a three-year period. The audit of those operations selected for review during 2007 is currently in progress.

Competent persons

The information in this report that relates to exploration results, Mineral Resources or Ore Reserves is based on information compiled by the competent persons listed below. They are either members of the Australian Institute of Mining and Metallurgy (AusIMM) or recognised overseas professional organisations. They are all full-time employees of the company.

The competent person for AngloGold Ashanti exploration is:

E Roth, PhD (Economic Geology), BSc (Hons) (Geology), MAusIMM, 16 years experience.

Competent persons for AngloGold Ashanti's Mineral Resources are:

VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MAusIMM, 21 years experience.

MF O'Brien, MSc (Mining Economics), BSc (Hons) (Geology), Dip Data, Pr.Sci.Nat., MAusIMM, 27 years' experience.

Competent persons for AngloGold Ashanti's Ore Reserves are:

CE Brechtel, MSc (Mining Engineering), MAusIMM, 31 years' experience.

D L Worrall, ACSM, MAusIMM, 26 years' experience.

J van Zyl Visser, MSc (Mining Engineering), BSc (Mineral Resource Management), PLATO, 20 years' experience.

The competent persons consent to the inclusion of the exploration, Mineral Resources and Ore Reserves information in this report, in the form and context in which it appears.

Notes

A detailed breakdown of the Mineral Resources and Ore Reserves is provided in the report entitled, Supplementary Information: Mineral Reserves and Ore Reserves, which is available in the annual

report section of the AngloGold Ashanti website (www.AngloGoldAshanti.com) and may be downloaded as a PDF file using Adobe Acrobat Reader. This information is also available on request from the AngloGold Ashanti offices at the addresses given at the back of this report.

Mineral Resources and Ore Reserves *cont.*

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Ore Reserves by country

(attributable)

Metric

Imperial

Contained

Contained

Tonnes

Grade

gold

Tons

Grade

gold

Category

million

g/t

tonnes

million

oz/t

Moz

South

Africa

Proved

15.5 7.86 122.0

17.1 0.229

3.9

Probable

181.6 3.99 724.7

200.2 0.116 23.3

Total

197.2 4.29 846.7

217.3 0.125 27.2

Argentina*

Proved

0.9

7.09 6.1

0.9

0.207 0.2

Probable

6.9 6.22 42.7

7.6

0.181 1.4

Total

7.7 6.32 48.8

8.5

0.184 1.6

Australia*

Proved

54.9

1.18

64.7

60.5
0.034
2.1
Probable
133.2
1.02
135.4
146.8
0.030
4.4
Total
188.0
1.07
200.1
207.3
0.031
6.4
Brazil*
Proved
3.7
5.60
20.8
4.1
0.163
0.7
Probable
10.3
7.40
76.3
11.4
0.216
2.5
Total
14.0
6.92
97.1
15.5
0.202
3.1
Ghana*
Proved
50.8
2.13
108.2
56.0
0.062
3.5
Probable
74.5
3.10
231.3

82.2
0.091
7.4
Total
125.3
2.71
339.5
138.1
0.079
10.9
Guinea*
Proved
18.2
0.60
10.8
20.1
0.017
0.3
Probable
52.7
0.85
45.0
58.1
0.025
1.4
Total
70.9
0.79
55.9
78.2
0.023
1.8
Mali*
Proved
15.7
1.79
28.0
17.3
0.052
0.9
Probable
20.8
2.85
59.1
22.9
0.083
1.9
Total
36.4
2.39
87.2

40.2
0.070
2.8
Namibia
Proved
5.3
1.08
5.8
5.9
0.032
0.2
Probable
10.1
1.63
16.5
11.2
0.048
0.5
Total
15.5
1.44
22.3
17.0
0.042
0.7
Tanzania
Proved
4.0
0.97
3.9
4.5
0.028
0.1
Probable
74.9
3.47
259.6
82.6
0.101
8.3
Total
79.0
3.34
263.6
87.0
0.097
8.5
USA
Proved
93.4
0.93

87.0
103.0
0.027
2.8
Probable
35.6
0.91
32.5
39.2
0.027
1.0
Total
129.0
0.93
119.5
142.2
0.027
3.8
Totals*
Proved
262.4
1.74
457.2
289.2
0.051
14.7
Probable
600.6
2.70
1,623.3
662.1
0.079
52.2
Total
863.0
2.41
2,080.5
951.3
0.070
66.9

* Reserves attributable to AngloGold Ashanti
Mineral Resources and Ore Reserves *cont.*
as at 31 December 2006

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Mineral Resources by country (1)

Metric

Imperial

Contained

Contained

Tonnes

Grade

gold

Tons

Grade

gold

Category

million

g/t

tonnes

million

oz/t

Moz

South Africa

Measured

27.3

13.97

381.0

30.0

0.408

12.2

Indicated

528.5

3.89

2,054.4

582.6

0.113

66.1

Inferred

28.4

5.66

160.7

31.3

0.165

5.2

Total

584.2

4.44

2,596.1

643.9

0.130

83.5

Argentina**

Measured

11.4

2.35
26.7
12.6
0.068
0.9
Indicated
17.5
3.24
56.6
19.2
0.095
1.8
Inferred
10.4
3.03
31.4
11.4
0.088
1.0
Total
39.2
2.93
114.7
43.2
0.085
3.7
Australia**
Measured
71.2
1.08
76.6
78.5
0.031
2.5
Indicated
213.9
0.87
186.3
235.8
0.025
6.0
Inferred
233.3
0.73
170.3
257.1
0.021
5.5
Total
518.4
0.84

433.2

571.5

0.024

13.9

Brazil**

Measured

8.6

6.16

52.7

9.4

0.180

1.7

Indicated

18.5

7.35

136.3

20.4

0.214

4.4

Inferred

25.7

7.11

182.9

28.3

0.207

5.9

Total

52.8

7.04

371.8

58.2

0.205

12.0

Ghana**

Measured

82.1

3.60

295.7

90.4

1.105