ANGLOGOLD ASHANTI LTD
Form 20-F
July 09, 2007
As filed with the Securities and Exchange Commission on July 09, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006
Commission file number: 1-14846

AngloGold Ashanti Limited
(Exact Name of Registrant as Specified in its Charter)

Republic of South Africa
(Jurisdiction of Incorporation or Organization)

76 Jeppe Street
Newtown, Johannesburg, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares	New York Stock Exchange
Ordinary Shares	New York Stock Exchange*

* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the
Securities and Exchange Commission

Securities registered pursuant to Section 12(g) of the Act:
None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered
by the annual report:

Ordinary Shares of 25 ZAR cents each	276,236,153
E Ordinary Shares of 25 ZAR cents each	4,185,770

A Redeemable Preference Shares of 50 ZAR cents each
2,000,000
B Redeemable Preference Shares of 1 ZAR cent each
778,896

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section
13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities
Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and
(2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See
definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.
(Check one):Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the
Exchange Act).

Yes No

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Presentation of information

AngloGold Ashanti Limited

In this annual report on Form 20-F, references to AngloGold or AngloGold Ashanti, the company and the group, are references to AngloGold Ashanti Limited or, as appropriate, subsidiaries and associate companies of AngloGold Ashanti.

US GAAP financial statements

The audited consolidated financial statements contained in this annual report on Form 20-F for the years ended December 31, 2006, 2005 and 2004 and as at December 31, 2006 and 2005 have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

IFRS financial statements

As a company incorporated in the Republic of South Africa, AngloGold Ashanti also prepares annual audited consolidated financial statements and unaudited consolidated quarterly financial statements in accordance with International Financial Reporting Standards (IFRS). These financial statements (referred to as IFRS statements) are distributed to shareholders and are submitted to the JSE Limited (formerly JSE Securities Exchange South Africa) (JSE), as well as the London, New York, Australian and Ghana stock exchanges and Paris and Brussels bourses and are submitted to the US Securities and Exchange Commission (SEC) on Form 6-K.

Currency

AngloGold Ashanti presents its consolidated financial statements in United States dollars.

In this annual report, references to rands, ZAR and R are to the lawful currency of the Republic of South Africa, references to US dollars, dollar or $ are to the lawful currency of the United States, references to € are to the lawful currency of the European Union, references to C$ are to the lawful currency of Canada, references to ARS and peso are to the lawful currency of Argentina, references to AUD dollars and A$ are to the lawful currency of Australia, references to BRL are to the lawful currency of Brazil and references to GHC or cedi are to the lawful currency of Ghana.

See “Item 3A.: Selected financial data – Exchange rate information” for historical information regarding the noon buying rate in the City of New York for cable transfers in rands as certified for customs purposes by the Federal Reserve Bank of New York. On June 25, 2007, the noon buying rate was R7.1455 = $1.00.

Non-GAAP financial measures

In this annual report on Form 20-F, AngloGold Ashanti presents the financial items “total cash costs”, “total cash costs per ounce”, “total production costs” and “total production costs per ounce” which have been determined using industry guidelines promulgated by the Gold Institute and are not US GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net income/(loss) applicable to common shareholders, income/(loss) before income tax provision, net cash provided by operating activities or any other measure of financial performance presented in accordance with US GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See “Glossary of selected terms – Financial

terms – Total cash costs" and - "Total production costs" and "Item 5A.: Operating results – Total cash costs and total production costs".

Shares and shareholders

In this annual report on Form 20-F, references to ordinary shares, ordinary shareholders and shareholders/members, should be read as common stock, common stockholders and stockholders, respectively, and vice versa.

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Certain 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, AngloGold Ashanti's liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. 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, business and operational risk management and other factors as determined in “Item 3D.: Risk factors” and elsewhere in this annual report. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti’s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the annual report 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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Glossary of selected terms

The following explanations are not intended as technical definitions but should assist the reader in understanding terminology used in this annual report. Unless expressly stated otherwise, all explanations are applicable to both underground and surface mining operations.

Mining terms

BIF

Banded Ironstone Formation. A chemically formed iron-rich sedimentary rock.

By-products

Any products that emanate from the core process of producing gold, including silver, uranium and sulphuric acid.

Calc-silicate rock

A metamorphic rock consisting mainly of calcium-bearing silicates such as diopside and wollastonite, and formed by metamorphism of impure limestone or dolomite.

Carbon-in-leach (CIL)

Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to carbon granules in the same circuit.

The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

Carbon-in-pulp (CIP)

Gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks. The leached slurry then passes into the

CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed on to the carbon. The granules are separated

from the slurry and treated in an elution circuit to remove the gold.

Comminution

Comminution is the crushing and grinding of ore to make gold available for treatment. (See also ‘Milling’.)

Contained gold

The total gold content (tons multiplied by grade) of the material being described.

Cut-off Grade (Surface Mines)

The minimum grade at which a unit of ore will be mined so as to achieve a required mining grade and hence a desired economic outcome.

Depletion

The decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development

The process of accessing an orebody through shafts and/or tunnelling in underground mining operations.

Diorite

An igneous rock formed by the solidification of molten material (magma).

Electro-winning

A process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily

into gold bars.

Elution

Recovery of the gold from the activated carbon into solution before zinc precipitation or electro-winning.

Grade

The quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore

(oz/t), or grams per metric tonne (g/t).

Greenschist

A schistose metamorphic rock whose green color is due to the presence of chlorite, epidote or actinolite.

Leaching

Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.

Life-of-mine (LOM)
Number of years that the operation is planning to mine and treat ore, and is taken from the current mine plan.

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Metallurgical plant

A processing plant erected to treat ore and extract gold.

Milling

A process of reducing broken ore to a size at which concentrating can be undertaken. (See also ‘Comminution’).

Mine call factor

The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by the estimated contained gold of ore mined based on sampling.

Mineral deposit

A mineral deposit is a concentration or occurrence of material of possible economic interest in or on the Earth’s crust.

Ore Reserve

That part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve determination.

Ounce (oz) (troy)

Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.

Pay limit

The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the total cash cost, as well as Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).

Precipitate

The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable Reserve

Ore Reserves for which quantity and grade are computed from information similar to that used for Proven Ore Reserves, but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than for that for Proven Ore Reserve, is high enough to assume continuity between points of observation.

Productivity

An expression of labor productivity based either on the ratio of grams of gold produced to the total number of employees or area mined (in square meters) to the total number of employees in underground mining operations.

Proven Reserve

Ore Reserves for which the (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes: grade is computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of the Ore Reserves are well established.

Project capital

Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset.

Reclamation

In the South African context, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry which is pumped back to the metallurgical plants for processing.

Recovered grade

The recovered mineral content per unit of ore treated.

Reef

A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.

Refining

The final purification process of a metal or mineral.

Rehabilitation

The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws including, but not limited to the South African Department of Minerals and Energy, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

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Seismic event

A sudden inelastic deformation within a given volume of rock that radiates detectable seismic waves (energy) which results from mining activities.

Shaft

A vertical or sub-vertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.

Skarn

A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

Smelting

A pyro-metallurgical operation in which gold is further separated from impurities.

Stay-in-business capital

Capital expenditure to maintain existing production assets. This includes replacement of vehicles, plant and machinery, ore reserve development and capital expenditure related to safety, health and the environment.

Stope

Underground excavation where the orebody is extracted.

Stoping

The process of excavating ore underground

Stripping ratio

The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined.

Syngenetic

Formed contemporaneously with the deposition of the sediment.

Tailings

Finely ground rock of low residual value from which valuable minerals have been extracted.

Tailings dam (slimes dam)

Dam facilities designed to store discarded tailings.

Tonne

Used in metric statistics. Equal to 1,000 kilograms.

Ton

Used in imperial statistics. Equal to 2,000 pounds. Referred to as a short ton.

Tonnage

Quantity of material measured in tons or tonnes.

Waste

Material that contains insufficient mineralization for consideration for future treatment and, as such, is discarded.

Yield

The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.

Zinc precipitation

Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into unrefined gold bars.

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Financial terms

Average number of employees

The monthly average number of production and non-production employees and contractors employed during the year, where contractors are defined as individuals who have entered into a fixed-term contract of employment with a group company or subsidiary.

Capital expenditure

Total capital expenditure on tangible assets which includes Ore Reserve development, stay-in-business and project capital.

Discontinued operations

An operation that, pursuant to single plan, has been disposed of or abandoned or is classified as held-for-sale until conditions precedent to the sale have been fulfilled.

Effective tax rate

Current and deferred taxation as a percentage of profit before taxation.

Monetary asset

An asset which will be settled in a fixed or easily determinable amount of money.

Region

Defines the operational management divisions within AngloGold Ashanti and these are South Africa, Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and United States of America.

Related party

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Significant influence

The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decision of an entity so as to obtain economic benefit from its activities.

Total cash costs

Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and are inclusive of royalties and production taxes. Depreciation, depletion and amortization, rehabilitation, corporate administration, employee severance costs, capital and exploration costs are excluded. Total cash costs per ounce are the attributable total cash costs divided by the attributable ounces of gold produced.

Total production costs

Total cash costs plus depreciation, depletion and amortization, employee severance costs, rehabilitation and other non-cash costs. Corporate administration and exploration costs are excluded. Total production costs per ounce are the attributable total production costs divided by the attributable ounces of gold produced.

Weighted average number of ordinary shares

The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group and increased by share options that are virtually certain to be exercised.

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Abbreviations

ADS	American Depositary Share
ADR	American Depositary Receipt
ASX	Australian Stock Exchange
bn	Billion
capex	Capital expenditure
CDI	Chess Depositary Interests
CLR	Carbon Leader Reef
FCFA	Communauté Financiére Africaine Francs
FIFR	Fatal injury frequency rate per million hours worked
g	Grams
g/t	Grams per tonne
g/TEC	Grams per total employee costed
GhDS	Ghanaian Depositary Share
GhSE	Ghana Stock Exchange
JORC	Australasian Code for Reporting of Mineral Resources and Ore Reserves
JIBAR	Johannesburg interbank agreed rate
JSE	JSE Limited
King Code	the Code of Corporate Practices and Conduct representing the principles of good governance as laid out in the King Report on Corporate Governance for South Africa 2002
kg	Kilograms
LSE	London Stock Exchange
LIBOR	London interbank offer rate
LOM	Life-of-mine
LTIFR	Lost-time injury frequency rate per million hours worked
(1)	
m²/TEC	Square meters per total employee costed
M or m	Meter or million, depending on the context
Moz	Million ounces
Mt	Million tonnes or tons
Mtpa	Million tonnes/tons per annum

NOSA
National Occupational Safety Association
NYSE New York Stock Exchange
oz Ounces (troy)
oz/t
Ounces per ton
RIFR
Reportable injury frequency rate per million hours worked
SAMREC
South African Code for the Reporting of Mineral Resources and Mineral Reserves
SEC
United States Securities and Exchange Commission
SRP South African Securities Regulation Panel
SOX
Sarbanes-Oxley Act of 2002
t
Tons (short) or tonnes (metric)
tpm
Tonnes/tons per month
tpa Tonnes/tons per annum
tpd Tonnes/tons per day
VCR Ventersdorp Contact Reef
VCT
Voluntary counseling and testing

Currencies

$
United States dollars
CHF
Swiss francs
ARS
Argentinean peso
GHC
Ghanaian cedi
A$
Australian dollars
N$
Namibian dollars
BRL
Brazilian real
R or ZAR
South African rands
€ European Euro
Tsh
Tanzanian
Shillings
C$ Canadian dollars

(1)

Note *that AngloGold Ashanti utilizes the strictest definition in reporting Lost-Time Injuries in that it includes all Disabling Injuries (where an*
individual is unable to return to his place of regular work the next calendar day after the injury) and Restricted Work Cases (where the individual may be at work, but unable to perform full or regular duties on the next calendar day

after the injury) within this definition.
Rounding of figures in this report may result in computational discrepancies.

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PART I

Item 1: Identity of directors, senior management and advisors

Not applicable.

Item 2: Offer statistics and expected timetable

Not applicable.

Item 3: Key information

3A. Selected financial data

The selected financial information set forth below for the years ended December 31, 2004, 2005 and 2006 has been derived from, and should be read in conjunction with, the US GAAP financial statements included under Item 18 of this
annual report. The selected financial information for the years ended December 31, 2002 and 2003 and as at December 31, 2002 and 2003, has been derived from the US GAAP financial statements not included in this annual report.

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Year ended December 31,					
2002					
(1) (2) (3)					
2003					
(6)					
2004					
(7) (8)					
2005					
2006					
$ $					
$					
$					
$					
(in millions, except share and per share amounts)					
Consolidated statement of income					
Sales and other income	1,493	1,670	2,151	2,485	2,715
Product sales	(9)	1,458	1,641	2,096	2,453	2,683
Interest, dividends and other	35	29	55	32	32
Costs and expenses	1,137	1,329	2,176	2,848	2,811
Operating costs	(10)	912	1,135	1,517	1,842	1,785
Royalties	9	11			

27
39
59
Depreciation, depletion and amortization
257
247
445
593
699
Impairment of assets
-
75
3
141
6
Interest expense
22
28
67
80
77
Accretion expense
-
2
8
5
13
Profit on sale of assets, loans and indirect taxes
11
(55)
(14)
(3)
(36)
Mining contractor termination costs
-
-
-
9
-
Non-hedge derivative (gain)/loss
(74)
(114)
123
142
208
Income/(loss) from continuing operations before income tax equity income, minority interests and cumulative effect of accounting change
356
341
(25)

(363)
(96)
Taxation (expense)/benefit
(64)
(143)
132
121
(122)
Minority interest
(16)
(17)
(22)
(23)
(29)
Equity income in affiliates
80
71
23
39
99
Income/(loss) from continuing operations before cumulative effect of accounting change
356
252
108
(226)
(148)
Discontinued operations
(11)
-
(2)
(11)
(44)
6
Income/(loss) before cumulative effect of accounting change
356
250
97
(270)
(142)
Cumulative effect of accounting change
-
(3)
-
(22)
-
Net income/(loss) – applicable to common stockholders
356
247
97
(292)

(142)
Basic earnings/(loss) per common share (in $)
(12)(13)
From continuing operations
1.60
1.13
0.43
(0.85)
(0.54)
Discontinued operations
(0.01)
(0.04)
(0.17)
0.02
Before cumulative effect of accounting change
1.60
1.12
0.39
(1.02)
(0.52)
Cumulative effect of accounting change
-
(0.01)
-
(0.08)
-
Net income/(loss) – applicable to common stockholders
1.60
1.11
0.39
(1.10)
(0.52)
Diluted earnings/(loss) per common share (in $)
(12)(13)
From continuing operations
1.60
1.13
0.42
(0.85)
(0.54)
Discontinued operations
-
(0.01)
(0.04)
(0.17)
0.02
Before cumulative effect of accounting change
1.60
1.12
0.38
(1.02)

(0.52)
Cumulative effect of accounting change
-
(0.01)
-
(0.08)
-
Net income/(loss) – applicable to common stockholders
1.60
1.11
0.38
(1.10)
(0.52)
Dividend per common share (cents)
(13)
113
133
76
56
39

10

As at December 31,					
2002					
(1) (2) (3)					
2003					
(4) (5) (6)					
2004					
(7) (8)					
2005	**2006**				
$					
$					
$					
$					
$					
(in millions, except share and per share amounts)					
Consolidated balance sheet data (as at period end)					
Cash and cash equivalents and restricted cash					
362	479	302	204	482	
Other current assets					
524	822	1,115	1,197	1,394	
Property, plants and equipment, deferred stripping, and acquired properties, net					
2,449	3,037	6,654	6,439	6,266	
Goodwill and other intangibles, net					
166	226	591	550	566	
Materials on the leach pad (long-term)					
79	7	22	116	149	
Other long-term assets, derivatives, deferred taxation assets and other long-term inventory					
770	772	712	607	656	
Total assets					
4,350	5,343	9,396	9,113	9,513	
Current liabilities					
694	1,116	1,469	1,874	2,467	
Provision for environmental rehabilitation					
133	124	209	325	310	
Deferred taxation liabilities					
505	789				

1,518
1,152
1,275
Other long-term liabilities, and derivatives
1,158 1,194 2,295 2,539
2,092
Minority interest
40 52 59 60
61
Stockholders' equity
1,820 2,068 3,846 3,163
3,308
Total liabilities and stockholders' equity
4,350 5,343 9,396 9,113
9,513
Capital stock (exclusive of long-term debt and
redeemable preferred stock)
9 9
10
10
10
Number of common shares as adjusted to reflect
changes in capital stock
222,622,022 223,136,342 264,462,894 264,938,432 276,236,153
Net assets
1,860 2,120 3,905 3,223
3,369

(1)

Excludes the results of operations and financial condition of the Free State mines sold with effect from January 1, 2002. See "Item 4A.: History and development of the company".

(2)

Includes the results of operations and financial condition of an additional 46.25 percent interest acquired in the Cerro Vanguardia mine located in Argentina from July 1, 2002. See "Item 4A.: History and development of the company".

(3)

Excludes the results of operations and financial condition of Stone and Allied Industries sold with effect from October 1, 2002. See "Item 4A.: History and development of the company".

(4)

Excludes the financial condition of the Amapari Project sold with effect from May 19, 2003. See "Item 4A.: History and development of the company".

(5)

Excludes the Gawler Craton Joint Venture sold with effect from June 6, 2003. See "Item 4A.: History and development of the company".

(6)

Excludes the results of operations and financial condition of the Jerritt Canyon Joint Venture sold with effect from June 30, 2003. See "Item 4A.: History and development of the company".

(7)

Includes the results of operations and financial condition of Ashanti as of April 26, 2004. See "Item 4A.: History and development of the company".

(8)

Excludes the results of operations and financial condition of the Freda-Rebecca mine sold with effect from September 1, 2004. See "Item 4A.: History and development of the company".

(9)

Product sales represent revenue from the sale of gold.

(10) Operating costs include production costs, exploration costs, related party transactions, general and administrative, market development costs, research and development, employment severance costs and other.

(11) The selected financial information presented for the year ended December 31, 2002 has not been reclassified to reflect Ergo as a discontinued operation.

(12) The calculations of basic and diluted earnings/(loss) per common share are described in note 9 to the consolidated financial statements "(loss)/earnings per common share". Amounts reflected exclude E Ordinary shares.

(13) Per share information gives effect to the December 2002 two-for-one stock split and the issuance of a total of 278,196 ordinary shares under AngloGold's odd-lot offer.

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Annual dividends

The table below sets forth the amounts of interim, final and total dividends paid in respect of the past five years in cents per ordinary share. In respect of 2006, AngloGold Ashanti's board of directors declared an interim dividend of 210 South African cents per ordinary share on July 26, 2006, with a record date of August 18, 2006, and a payment date of August 25, 2006, and a final dividend of 240 South African cents per ordinary share on February 12, 2007, with a record date of March 9, 2007 and a payment date of March 16, 2007.

Year ended December 31	**Interim (South African cents per ordinary share)**	**Final (South African cents per ordinary share)**	**Total (South African cents per ordinary share)**	**Interim (US cents per ordinary share (1))**	**Final (US cents per ordinary share (1))**	**Total (US cents per ordinary share (1))**
2002	675	675	1,350	63.81	82.12	145.93
2003	375	335	710	50.73	49.82	100.55
2004	170	180	350	25.62	30.37	55.99
2005	170	62	232	26.09	9.86	35.95
2006	210	240	450	29.40	32.38	61.78

(1)
Dividends for these periods were declared in South African cents. US dollar cents per share figures have been calculated based on exchange rates
prevailing on each of the respective payment dates.

Future dividends will be dependent on AngloGold Ashanti's cash flow, earnings, planned capital expenditures, financial condition and other factors. Given that AngloGold Ashanti is in its highest-ever capital expenditure phase, it will continue to manage capital expenditure in line with profitability and cash flow, and its approach to the dividend on the basis of prudent financial management. Under South African law, AngloGold Ashanti may declare and pay dividends from any capital and reserves included in total shareholders' equity calculated in accordance with IFRS, subject to its solvency and liquidity. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

Dividends may be declared in any currency at the discretion of the AngloGold Ashanti board or AngloGold Ashanti shareholders at a general meeting. Currently, dividends are declared in South African rands and paid in Australian dollars, South African rands, British pounds and Ghanaian cedis. Dividends paid to registered holders of AngloGold Ashanti ADSs are paid in US dollars converted from South African rands by The Bank of New York, as depositary, in accordance with the deposit agreement. Exchange rate fluctuations may therefore affect the value of the dividends received by registered shareholders and distributions paid by the relevant depositary to investors holding AngloGold Ashanti securities. Moreover, fluctuations in the exchange rates of the British pound and the US dollar may have affected and are likely to affect the US dollar price of the ADSs on the NYSE and the US dollar equivalents of the United Kingdom pound price of the ordinary shares on the London Stock Exchange (LSE). For details on taxation and exchange controls applicable to holders of ordinary shares or ADSs, see "Item 10D.: Exchange controls" and "Item 10E.: Taxation – Taxation of dividends".

Exchange rate information

The following table sets forth for the periods and dates indicated certain information concerning the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York expressed in rands per $1.00. On June 25, 2007, the noon buying rate between South African rands and US dollars was R7.1455 = $1.00.

Year ended December 31	**High**	**Low**	**Year end**	**Average** **(1)**
2002	12.47	8.59	8.59	10.34
2003				9.05
	6.26	6.70	7.42	
2004				7.31

5.62
5.65
6.39
2005 6.92
5.64
6.33
6.35
2006
7.94
5.99
7.04
6.81
2007
(2)
7.48
6.88
7.15
7.19

(1)
The average of the noon buying rates on the last business day of each month during the year.
(2)
Through June 25, 2007.

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Exchange rate information for the months of

High	**Low**
December 2006	
7.16	6.94
January 2007	
7.33	6.88
February 2007	
7.28	7.07
March 2007	
7.48	7.19
April 2007	
7.28	6.98
May 2007	
7.04	6.88
June 2007 *(1)*	
7.27	7.08

(1)
Through June 25, 2007.

3B.
Capitalization and indebtedness
Not applicable.

3C.
Reasons for the offer and use of proceeds
Not applicable.

3D.
Risk factors
The risk factors set out in this document have been organized into three categories:

- risks related to the gold mining industry generally;
- risks related to AngloGold Ashanti's operations; and
- risks related to AngloGold Ashanti's ordinary shares and American Depositary Shares (ADSs).

Risks related to the gold mining industry generally
The profitability of AngloGold Ashanti's operations, and the cash flows generated by these operations, are significantly affected by changes in the market price for gold.
The market price for gold can fluctuate widely. These fluctuations are caused by numerous factors beyond AngloGold Ashanti's control, including:

- speculative positions taken by investors or traders in gold;
- changes in the demand for gold as an investment;
- changes in the demand for gold used in jewellery and for other industrial uses;
- changes in the supply of gold from production, disinvestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;

- the strength of the dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or expected gold sales by central banks and the International Monetary Fund;
- gold hedging by gold producers;
- global or regional political or economic events; and
- costs of gold production in major gold-producing nations, such as South Africa, the United States and Australia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of above-ground stocks of the metal in comparison to other commodities, these factors typically do not affect the gold price in the same manner or degree that the supply of and demand for other commodities tends to affect their market price.

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The following table presents the annual high, low and average afternoon fixing prices over the past 10 years, expressed in
dollars, for gold per ounce on the London Bullion Market:

Year	High	Low	Average
1997	367	283	331
1998	314	273	287
1999	340	252	278
2000	317	262	279
2001	298	253	271
2002	347	278	310
2003	417	320	364
2004	456	371	410
2005	538	412	445
2006	725	525	604

Source of data: Metals Week, Reuters and London Bullion Market Association

On June 25, 2007, the afternoon fixing price of gold on the London Bullion Market was $650.75 per ounce.

In addition to the spot price of gold, a portion of AngloGold Ashanti's gold sales is determined at prices in accordance with
the various hedging contracts that it has entered into, and will continue to enter into, with various gold hedging counterparts.

If revenue from gold sales falls below the cost of production for an extended period, AngloGold Ashanti may experience
losses and be forced to curtail or suspend some or all of its capital projects or existing operations, particularly those operations having operating costs that are flexible to such short- to medium-term curtailment or closure, or change its past
dividend payment policies. In addition, it would have to assess the economic impact of low gold prices on its ability to recover any losses that may be incurred during that period and on its ability to maintain adequate cash reserves.

The profitability of AngloGold Ashanti's operations, and the cash flows generated by these operations, are significantly affected by the fluctuations in the price of input production factors, many of which are linked to the price of oil and steel.

Fuel, power and consumables, including diesel, heavy fuel oil, chemical reagents, explosives and tires, which are used in mining operations form a relatively large part of the operating costs of any mining company. The cost of these consumables is linked, to a greater or lesser extent, to the price of oil. Furthermore, the cost of steel, which is used in the manufacture of most forms of fixed and mobile mining equipment, is also a relatively large contributor to the operating costs and capital expenditure of a mining company.

AngloGold Ashanti has estimated that for each $1 per barrel rise in the oil price, the average cash costs of all its operations increase by $0.33 per ounce with the cash costs of certain of its mines, which are more dependent on fuel, being more sensitive to changes in the price of oil.

Fluctuations in the price of oil and steel have a significant impact upon operating cost and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects. AngloGold Ashanti has no influence over the price of fuel, chemical reagents, explosives, steel and other commodities used in its mining activities. High oil and steel prices would have an adverse effect upon the profitability of existing mining operations and the returns anticipated from new mining projects and could even render certain projects non-viable.

AngloGold Ashanti's operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, heavy mining equipment and metallurgical plant.

Due to the significant increase in the world's demand for commodities, the global mining industry is experiencing an increase in production capacity both in terms of expansions at existing, as well as the development of new, production facilities.

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This increase in expansion capacity has taken place, in certain instances, without a concomitant increase in the capacity for production of certain strategic spares, critical consumables and mining and processing equipment used to operate and construct mining operations, resulting in shortages of and an increase in the lead times to deliver these items. In particular, AngloGold Ashanti and other gold mining companies have experienced shortages in critical consumables like tires for mobile mining equipment, as well as certain critical spares for both mining equipment and processing plants including, for example, gears for the ball-mills. In addition, the company has experienced an increase in delivery times for these and other items. These shortages have also resulted in unanticipated increases in the price of certain of these and other items. Shortages of critical spares, consumables and equipment result in production delays and production shortfalls. Increases in prices result in an increase in both operating costs and the capital expenditure to maintain and develop mining operations.

While suppliers and equipment manufacturers may increase capacity to meet the increased demand and therefore alleviate both shortages of, and time to deliver, strategic spares, critical consumables and mining and processing equipment, individually the companies have limited influence over manufacturers and suppliers. Consequently, shortages and increased lead times in delivery of strategic spares, critical consumables, heavy mining and certain processing equipment could have an adverse impact upon AngloGold Ashanti's results of operations and its financial condition.

Gold companies face many risks related to their operations (including their exploration and development activities) that may adversely affect their cash flows and overall profitability.

Uncertainty and cost of mineral exploration and acquisitions

Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to:

- establish the presence, and to quantify the extent and grades (metal content) of mineralized material through exploration drilling;
- determine appropriate metallurgical recovery processes to extract gold from the ore;
- estimate Ore Reserves;
- undertake feasibility studies and to estimate the technical and economic viability of the project; and
- construct, renovate or expand mining and processing facilities.

Once gold mineralization is discovered it can take several years to determine whether Ore Reserves exist. During this time the economic feasibility of production may change owing to fluctuations in factors that affect revenue, as well as cash and other operating costs.

AngloGold Ashanti considers from time to time the acquisition of Ore Reserves, development properties and operating mines, either as stand-alone assets or as part of companies. Its decisions to acquire these properties have historically been based on a variety of factors including historical operating results, estimates of and assumptions regarding the extent of Ore Reserves, cash and other operating costs, gold prices and projected economic returns and evaluations of existing or potential liabilities associated with the property and its operations and how these may change in the future. Other than historical operating results, all of these parameters are uncertain and have an impact upon revenue, cash and other

operating issues, as well as the uncertainties related to the process used to estimate Ore Reserves. In addition, there is intense competition for the acquisition of attractive mining properties.

As a result of these uncertainties, the exploration programmes and acquisitions engaged in by AngloGold Ashanti may not result in the expansion or replacement of the current production with new Ore Reserves or operations. This could adversely affect its results of operations and its financial condition.

Development risks

AngloGold Ashanti's profitability depends, in part, on the actual economic returns and the actual costs of developing mines, which may differ significantly from its current estimates. The development of its mining projects may be subject to unexpected problems and delays.

AngloGold Ashanti's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies estimate the expected or anticipated project economic returns.

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These estimates are based on assumptions regarding:

- future gold, other metal and uranium prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold, and other metals and uranium from the ore;
- anticipated capital expenditure and cash operating costs; and
- the required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are determined particularly by the costs of the commodity inputs, including the cost of fuel, chemical reagents, explosives, tires and steel, that are consumed in mining activities and credits from by-products. There are a number of uncertainties inherent in the development and construction of an extension to an existing mine, or in the development and construction of any new mine. In addition to those discussed above these uncertainties include:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labor, power, water and transportation facilities;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain necessary environmental and other governmental permits and the timing of those permits; and
- the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine development and construction can increase because of the remote location of many mining properties. New mining operations could experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production could occur. Finally, operating cost and capital expenditure estimates could fluctuate considerably as a result of fluctuations in the prices of commodities consumed in the construction and operation of mining projects. Accordingly, AngloGold Ashanti's future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new production sites or facilities may be less profitable than currently anticipated or may not be profitable at all.

Ore Reserve estimation risks

AngloGold Ashanti undertakes annual revisions to its Mineral Resource and Ore Reserve estimates based upon actual exploration and production results, depletion, new information on geology and fluctuations in production, operating and other costs and economic parameters such as gold price and exchange rates. These factors may result in reductions in its Ore Reserve estimates, which could adversely affect the life-of-mine plans and consequently the total value of AngloGold Ashanti's mining asset base and, as a result, have an adverse effect upon the market price of AngloGold Ashanti's

ordinary shares and ADSs.

Production or mining industry risks

Gold mining is susceptible to numerous events that may have an adverse impact on a gold mining business, its ability to produce gold and meet its production targets. These events include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;
- underground fires;
- labor disputes;
- encountering unexpected geological formations;
- unanticipated ground and water conditions;
- unanticipated increases in gold lock-up and inventory levels at the company's heap-leach operations;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

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Seismic activity is of particular concern to the gold mining industry in South Africa, in part because of the large percentage of deep-level gold mines. To understand and manage this risk, AngloGold Ashanti uses sophisticated seismic and rock mechanics technologies.

Despite the implementation of this technology and modifications to mine layouts and support technology with a view to minimizing the incidence, and impact of seismic activity, seismic events have in the past, and may in the future, cause employee injury and death as well as substantial damage to AngloGold Ashanti's operations, both within South Africa and elsewhere where seismic activity may be a factor.

The occurrence of one or more of these events may result in the death of, or personal injury to, miners, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities. In addition, AngloGold Ashanti has from time to time encountered unanticipated delays and shortfalls in production as a result of these events. As a result, these events may have a material adverse effect on AngloGold Ashanti's operational results and its financial condition.

Gold mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.

As a consequence of public concern about the perceived ill affects of economic globalization, business generally and in particular large multinational corporations such as AngloGold Ashanti, face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders – including employees, communities surrounding operations and the countries in which they operate – benefit, and will continue to benefit from these commercial activities, which are also expected to minimize or eliminate any damage to the interests of those stakeholders.

These pressures tend to be applied most strongly against companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of such pressures, especially if not effectively managed, include reputational damage, legal suits and social spending obligations. All of these factors could have a material adverse effect on AngloGold Ashanti's results of operations and its financial condition.

Gold mining operations are subject to extensive health and safety laws and regulations.

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and health of employees. If these laws and regulations were to change and, if as a result, material additional expenditure were required to comply with such new laws and regulations, it could adversely affect AngloGold Ashanti's results of operations and its financial condition.

Gold mining companies are subject to extensive environmental laws and regulations.

Gold mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on gold producers' ability to conduct their operations. The cost of AngloGold Ashanti's compliance with environmental laws and regulations has been significant and is expected to

continue to be significant.

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Gold mining companies are required to close their operations and rehabilitate the lands that they mine in accordance with environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially.

Environmental liabilities are accrued when they are known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse effect on AngloGold Ashanti's financial condition.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. If AngloGold Ashanti's environmental compliance obligations were to change as a result of changes in the laws and regulations or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions were to arise in its operations, its expenses and provisions would increase to reflect these changes. If material, these expenses and provisions could adversely affect AngloGold Ashanti's results of operations and its financial condition.

Risks related to AngloGold Ashanti's operations

AngloGold Ashanti faces many risks related to its operations that may affect its cash flows and overall profitability.

AngloGold Ashanti uses gold hedging instruments and has entered into long term sales contracts, which may prevent the company from realizing all potential gains resulting from subsequent commodity price increases in the future. AngloGold Ashanti has restructured its hedge book which has reduced protection against low gold prices.

AngloGold Ashanti currently uses hedging instruments to fix the selling price of a portion of its respective anticipated gold production and to protect revenues against unfavorable gold price and exchange rate movements. While the use of these instruments may protect against a drop in gold prices and exchange rate movements, it will do so for only a limited period of time and only to the extent that the hedge remains in place. The use of these instruments may also prevent AngloGold Ashanti from fully realizing the positive impact on income from any subsequent favorable increase in the price of gold on the portion of production covered by the hedge and of any subsequent favorable exchange rate movements.

AngloGold Ashanti has utilized commodity instruments to protect the selling price of some of its anticipated production.

The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001 the company has been reducing its hedge commitments through hedge buy-backs, deliveries into contracts and restructuring in order to provide greater participation in a rising gold price environment, the effect of which may be that only limited price protection is available in lower gold prices. For a discussion of AngloGold Ashanti's commodity instruments see "Item 11: Quantitative and qualitative disclosures about market risk".

A significant number of AngloGold Ashanti's hedge contracts are not fair valued on the financial statements as they fall under the normal purchase sales exemption. Should AngloGold Ashanti fail to deliver gold into those contracts in accordance with their terms, then the company would need to account for the fair value of all of its hedge contracts on the financial statements, which could adversely affect the company's reported financial condition.

Foreign exchange fluctuations could have a material adverse effect on AngloGold Ashanti's operating results and financial condition.

Gold is principally a dollar-priced commodity, and most of AngloGold Ashanti's revenues are realized in or linked to dollars while production costs are largely incurred in the applicable local currency where the relevant operation is located. The weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in lower revenues and higher production costs in dollar terms.

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Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local currencies yields significantly higher revenues and lower production costs in dollar terms. If material, these exchange rate movements may have a material adverse effect on AngloGold Ashanti's results of operations.

Since June 2002, the weakening of the dollar against the South African rand, the Brazilian real, the Argentinean peso and the Australian dollar has had a negative impact upon AngloGold Ashanti's profitability. Conversely, in certain prior years, the devaluation of these local currencies against the dollar has had a significant positive effect on the profitability of AngloGold Ashanti's operations. In 2006, 2005, and 2004, AngloGold Ashanti derived approximately 73 percent, 67 percent and 74 percent, respectively, of its revenues from these countries and incurred approximately 61 percent, 63 percent and 72 percent, respectively, of production costs in these local currencies.

In 2006, the increase in total cash costs from 2005 was partially offset by favorable exchange variances of $7 per ounce.

In 2005, the weakening of the dollar against these local currencies accounted for nearly $4 per ounce of the increase in total cash costs from 2004. These impacts were partially offset by the increase in the dollar price of gold, which increase was to some extent a function of dollar weakness. In addition, production costs in South African rand, Brazilian real, Argentinean peso and Australian dollar terms were only modestly offset by the effect of exchange rate movements on the price of imports denominated in dollars, as imported products comprise a small proportion of production costs in each of these countries.

To a lesser extent, and mainly as a result of AngloGold Ashanti's hedging instruments, a small proportion of its revenues are denominated in South African rands and Australian dollars, which may partially offset the effect of the dollar's strength or weakness on AngloGold Ashanti's profitability.

In addition, due to its global operations and local foreign exchange regulations, some of AngloGold Ashanti's funds are held in local currencies, such as the South African rand and Australian dollar.

The dollar value of these currencies may be affected by exchange rate fluctuations. If material, exchange rate movements may adversely affect AngloGold Ashanti's financial condition.

AngloGold Ashanti's level of indebtedness may adversely affect its business.

As of December 31, 2006, AngloGold Ashanti had gross borrowings of around $1.5 billion. This level of indebtedness could have adverse effects on AngloGold Ashanti's flexibility to do business. Under the terms of AngloGold Ashanti's borrowing facilities from its banks it is obliged to meet certain financial and other covenants. AngloGold Ashanti expects to meet these covenants and to be able to pay principal and interest on its debt by utilizing the cash flows from operations and, therefore, its ability to do so will depend upon its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond its control. AngloGold Ashanti may be required to utilize a large portion of its cash flow to pay the principal and interest on its debt which will reduce the amount of funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions.

AngloGold Ashanti's level of indebtedness may make it vulnerable to economic cycle downturns, which are beyond its control, because during such downturns, it cannot be certain that its future cash flows will be sufficient to allow it to pay
principal and interest on its debt and also to meet its other obligations. Should the cash flow from operations be insufficient, it could breach its financial and other covenants and may be required to refinance all or part of its existing debt, utilize existing cash balances, issue additional equity or sell assets. AngloGold Ashanti cannot be sure that it will be
able to do so on commercially reasonable terms, if at all.

Furthermore, substantially all AngloGold Ashanti's indebtedness matures in the next two years. AngloGold Ashanti intends
refinancing a substantial portion of its maturing indebtedness and cannot give assurance that it will be able to do so on commercially reasonable terms, if at all.

Inflation may have a material adverse effect on AngloGold Ashanti's results of operations.

Most of AngloGold Ashanti's operations are located in countries that have experienced high rates of inflation during certain
periods.

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Because it is unable to control the market price at which it sells the gold it produces (except to the extent that it enters into forward sales and other derivative contracts), it is possible that significantly higher future inflation in the countries in which AngloGold Ashanti operates may result in an increase in future operational costs in local currencies, without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold. This could have a material adverse effect upon AngloGold Ashanti's results of operations and its financial condition.

While none of AngloGold Ashanti's specific operations is currently materially adversely affected by inflation, significantly higher and sustained inflation in the future, with a consequent increase in operational costs, could result in operations being discontinued or reduced or rationalized at higher cost mines.

Contracts for sale of uranium at fixed prices could affect AngloGold Ashanti's operating results and financial condition.

AngloGold Ashanti has also entered into contracts for the sale of uranium produced by some of its South African operations and may therefore be prevented from realizing all potential gains from increase in uranium prices to the extent that the company's future production is covered by such contracts. Furthermore, should AngloGold Ashanti not produce sufficient quantities of uranium to cover such contracts, it may need to procure or borrow uranium in the market to meet any shortfall which could adversely affect AngloGold Ashanti's results of operations and its financial condition.

AngloGold Ashanti's new order mining rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

AngloGold Ashanti's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of its mineral reserves and deposits are located in South Africa.

The Mineral and Petroleum Resources Development Act (MPRDA) vests custodianship of South Africa's mineral rights in the State. The State issues prospecting rights or mining rights to applicants. Prospecting, mining and mineral rights formerly regulated under the Minerals Act 50 of 1991 and common law are now known as old order mining rights and the transitional arrangements provided in Schedule II to the MPRDA give holders of such old order mining rights the opportunity to convert their old order mining rights into new order mining rights within specified time frames.

The Department of Minerals and Energy (DME) has published, pursuant to the MPRDA, the Broad--Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Charter). Compliance with the Charter, measured using a designated Scorecard, requires that every mining company achieve 15 percent ownership by Historically Disadvantaged South Africans (HDSAs) of its South African mining assets by May 1, 2009, and 26 percent ownership by May 1, 2014 and achieve participation by HDSAs in various other aspects of management referred to below.

The Company has submitted to the DME two Social and Labor Plans – one for each of its main mining regions – detailing its specific goals in these areas.

The Scorecard allows for a portion of "offset" against the HDSA's equity participation requirements insofar as companies have facilitated downstream, value-adding activities in respect of the products they mine. AngloGold Ashanti carries

out
such downstream activities and believes these will be recognized in terms of a framework currently being devised by the
South African government.
AngloGold Ashanti has completed a number of asset sales to companies owned by HDSAs in the past seven years (estimated to be equivalent to 20 percent of AngloGold Ashanti's South African production). Furthermore, at the end of
2006 AngloGold Ashanti implemented an Employee Share Ownership Programme (ESOP) and Black Economic Empowerment (BEE) transaction, collectively with a value equivalent to approximately 6 percent of its South African assets. This is consistent with the company's stated strategic intention to develop means of promoting broad based equity
participation in the company by HDSAs and with an undertaking made to the DME as a condition for the granting to the
company of its new order mining rights. AngloGold Ashanti believes that it has made significant progress towards meeting
the requirements of the Charter, the Scorecard and its own undertakings in terms of human resource development, employment equity, mine community and rural development, housing and living conditions, procurement and beneficiation,
including the implementation of programmes to help achieve the requirement of having 40 percent of management roles
being held by HDSAs by 2010. AngloGold Ashanti will incur expenses in giving further effect to the Charter and the Scorecard and the implementation of the ESOP will affect the company's results of operations. See "Item 5: Operating and

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financial review and prospects – Establishment of a Black Economic Empowerment (BEE) transaction in South Africa" for
a detailed discussion on the implementation of ESOP.
AngloGold Ashanti was informed on August 1, 2005, by the Director General of Minerals and Energy that its applications
to convert its old order mining rights to new order mining rights for its West Wits and Vaal River operations, as well as its
applications for new mining rights to extend its mining areas at its TauTona and Kopanang mines, had been successful.
These applications relate to all of its existing operations in South Africa. AngloGold Ashanti has reviewed certain draft
notarial rights agreements, which it received from the Department of Minerals and Energy relating to the various rights.
The notarial agreement for the West Wits operations has subsequently been executed and registered as has the notarial agreement for Jonkerskraw, which forms a portion of the Vaal River rights. The notarial agreements for the Vaal River
operations are pending. AngloGold Ashanti submitted two applications to DME for the conversion of two unused old order
prospecting rights to new order prospecting rights, one of which it has subsequently withdrawn. The DME has approved
the conversion of the remaining prospecting right which had been registered.
Even where new order mining rights are obtained under the MPRDA, these rights may not be equivalent to the old order
mining rights. The AngloGold Ashanti rights that have been converted and registered do not differ significantly from the
relevant old order rights. The duration of the new rights will no longer be perpetual as was the case under old order mining rights but rather will be granted for a maximum period of 30 years, with renewals of up to 30 years each and, in the
case of prospecting rights, a maximum period of five years with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject
to certain conditions, such as non-concentration of resources, fair competition and non-exclusion of others. In addition, the
new order rights will only be transferable subject to the approval of the Minister of Minerals and Energy.
The new order mining rights can be suspended or cancelled by the Minister of Minerals and Energy if, upon notice of a
breach from the Minister, the entity breaching its obligations in terms of the guidelines issued for converted mining rights
fails to remedy such breach. The MPRDA also imposes additional responsibilities on mining companies relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining activities.
AngloGold Ashanti has a policy of evaluating, minimizing and addressing the environmental consequences of its activities
and, consistent with this policy and the MPRDA, conducts an annual review of the environmental costs and liabilities associated with the company's South African operations in light of the new, as well as existing, environmental requirements.
The proposed introduction of South African State royalties where a significant portion of AngloGold Ashanti's mineral reserves and operations are located could have an adverse effect on its results of operations and its financial condition.

The South African government has announced the details of the proposed new legislation, whereby the new order rights
will be subject to a State royalty. The Mineral and Petroleum Resources Royalty Bill was published on October 11, 2006
and provides for the payment of a royalty of 1.5 percent of gross revenue attributable to refined gold per year, payable quarterly. The royalty is tax deductible. The payment of royalties will commence on May 1, 2009, if the Bill is passed by
Parliament in its current form.

Certain factors may affect AngloGold Ashanti's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on its balance sheet.

AngloGold Ashanti reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. AngloGold Ashanti values individual mining assets at the lowest level for
which identifiable cash flows are identifiable as independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of expected future cash
flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and
forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

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If any of these uncertainties occur either alone or in combination, it could require management to recognize an impairment, which could adversely affect AngloGold Ashanti's financial condition.

Diversity in interpretation and application of accounting literature in the mining industry may impact AngloGold Ashanti's reported financial results

The mining industry has limited industry specific accounting literature. As a result, diversity exists in the interpretation and application of accounting literature to mining specific issues. For example, AngloGold Ashanti capitalizes the drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine, whereas some companies expense such costs. (See "Item 5: Operating and financial review and prospects – Critical accounting policies"). As and when diversity in interpretation and application is addressed, it may impact AngloGold Ashanti's reported results should the adopted interpretation differ from the position followed by AngloGold Ashanti.

AngloGold Ashanti's mineral reserves and deposits and mining operations are located in countries that face political, economic and security risks.

Some of AngloGold Ashanti's mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where AngloGold Ashanti operates, the formulation or implementation of government policies may be unpredictable on certain issues including regulations which impact on its operations and changes in laws relating to issues such as mineral rights and asset ownership, taxation, royalties, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings.

Any existing and new mining and exploration operations and projects AngloGold Ashanti carries out in these countries are, and will be subject to, various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social/community relations and other matters.

If, in one or more of these countries, AngloGold Ashanti was not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws and regimes, or the governing political authorities change materially which could result in changes to such laws and regimes, its results of operations and its financial condition could be adversely affected.

For example, in Mali and Tanzania, AngloGold Ashanti is due refunds of input tax which remain outstanding for periods longer than those provided for in the respective statutes. In addition, AngloGold Ashanti has outstanding assessments and unresolved tax disputes in a number of countries. If the outstanding input taxes are not received, the tax disputes are not resolved and assessments are not made in a manner favorable to AngloGold Ashanti, it could have an adverse effect upon its results of operations and its financial condition.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration operations, including the Democratic Republic of Congo and Colombia, have in the past experienced and in certain cases continue to experience, a difficult security environment as well as political instability. In particular, various illegal groups active in regions in

which the
company is present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect
on the company's operations in such regions. In the event that continued operations in these countries compromise AngloGold Ashanti's security or business principles, it may withdraw from these countries on a temporary or permanent
basis, which in turn, could have an adverse impact on its results of operations and its financial condition.

Labor disruptions and/or increased labor costs could have an adverse effect on AngloGold Ashanti's operating results and financial condition.

As at December 31, 2006, approximately 69 percent (2005: 72 percent) of AngloGold Ashanti's workforce excluding contractors or 62 percent of total workforce was located in South Africa. Approximately 97.8 percent of the workforce on its
South African operations is unionized, with the National Union of Mineworkers (NUM) representing the majority of unionized workers.

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AngloGold Ashanti's employees in some South American countries and Ghana are also highly unionized. Trade unions have a significant impact on AngloGold Ashanti's labor relations climate, as well as on social and political reforms, most notably in South Africa.

It has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. A two-year wage agreement was signed with NUM in August 2005, following negotiations between NUM, United Associations of South Africa (on behalf of some clerical and junior management staff) and Solidarity (on behalf of a small number of miners) and the Chamber of Mines. Agreement was only reached after a four-day strike which affected all of AngloGold Ashanti's operations in South Africa.

Labor costs represent a substantial proportion of AngloGold Ashanti's total operating costs and in many operations, including South African operations, is the company's single largest operating cost category. The two-year wage agreement will be reviewed in June 2007 in negotiation with NUM, UASA, Solidarity and the Chamber of Mines and this process is likely to result in further increase in labor costs in South Africa. These increases in labor costs, including those in other parts of the world, in the absence of further productivity increases, will have an adverse impact on the company's results of operations and financial condition.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of AngloGold Ashanti's operations. It is uncertain whether labor disruptions will be used to advocate labor, political or social goals in the future.

Should any labor disruptions occur, if material, they could have an adverse effect on AngloGold Ashanti's results of operations and its financial condition.

The use of mining contractors at certain of AngloGold Ashanti's operations may expose it to delays or suspensions in mining activities and increases in mining costs.

Mining contractors are used at certain of AngloGold Ashanti's mines, including Sadiola, Morila and Yatela in Mali, Siguiri in Guinea, Iduapriem in Ghana and Sunrise Dam in Australia, to mine and deliver ore to processing plants. Consequently, at these mines, AngloGold Ashanti does not own all of the mining equipment and may face disruption of operations and incur costs and liabilities in the event that any of the mining contractors at these mines has financial difficulties, or should there be a dispute in renegotiating a mining contract, or a delay in replacing an existing contractor. Furthermore, increases in contract mining rates, in the absence of associated productivity increases, will have an adverse impact on the company's results of operations and financial condition.

AngloGold Ashanti competes with mining and other companies for key human resources.

AngloGold Ashanti competes with mining and other companies on a global basis to attract and retain key human resources at all levels with appropriate technical skills and operating and managerial experience necessary to continue to operate its business. This is further exacerbated in the current environment of increased mining activity across the globe combined with the global shortage of key mining industry human resource skills, including geologist, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of the global industry wide shortages, AngloGold Ashanti is also required to achieve employment equity targets of participation by HDSAs in management and other positions.

AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience. For further details see the risk factor “AngloGold Ashanti’s new order mineral rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights”.

There can be no assurance that AngloGold Ashanti will attract and retain skilled and experienced employees and, should it lose any of its key personnel, its business may be harmed and its results of operations and its financial condition could be adversely affected.

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AngloGold Ashanti faces certain risks in dealing with HIV/AIDS which may adversely affect its results of operations and its financial condition.

AIDS remains the major health care challenge faced by AngloGold Ashanti's South African operations. Accurate prevalence data for AIDS is not available. The South African workforce prevalence studies indicate that the percentage of AngloGold Ashanti's South African workforce that may be infected by HIV may be as high as 30 percent. AngloGold Ashanti is continuing to develop and implement various programmes aimed at helping those who have been infected with HIV and preventing new infections. Since 2001 AngloGold Ashanti has offered a voluntary counseling and HIV testing programme for employees in South Africa. In 2002 AngloGold Ashanti began to offer anti-retroviral therapy (ART) to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, AngloGold Ashanti commenced a roll-out of the treatment to all eligible employees desiring it. Currently approximately 3,750 employees are on the wellness programme and as at December 2006, approximately 1,589 employees were receiving treatment using anti-retroviral drugs.

The cost of providing rigorous outcome-focused disease management of employees with AIDS, including the provision of an anti-retroviral therapy, is on average R1,300 ($185) per employee on treatment per month. It is not yet possible to develop an accurate cost estimate of the programme in its entirety, given uncertainties such as drug prices and the ultimate rate of employee participation.

AngloGold Ashanti does not expect the cost that it will incur related to the prevention of HIV infection and the treatment of AIDS to materially and adversely affect its results of operations. Nevertheless, it is not possible to determine with certainty the costs that AngloGold Ashanti may incur in the future in addressing this issue, and consequently its results of operations and its financial condition could be adversely affected.

AngloGold Ashanti faces certain risks in dealing with malaria, particularly at its operations located in Africa, which may have an adverse effect on its results of operations.

Malaria is a significant health risk at all of AngloGold Ashanti's operations in Central, West and East Africa where the disease assumes epidemic proportions because of ineffective national control programmes. The disease is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Consequently, if uncontrolled, the disease could have an adverse effect upon productivity and profitability levels of AngloGold Ashanti's operations located in these regions.

The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect upon the results of AngloGold Ashanti's operations and its financial condition.

The primary areas of focus in respect of occupational health within AngloGold Ashanti's operations are noise-induced hearing loss (NIHL), occupational lung diseases (OLD) and tuberculosis (TB). AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and it continues to improve preventative occupational hygiene initiatives. If the costs associated with providing such occupational health services increase, such increase could have an adverse effect on AngloGold Ashanti's results of operations and its financial condition.

Furthermore, the South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for

compensation to
miners who have OLD, TB and combinations thereof, and the Compensation for Occupational Injuries and Diseases Act
(COIDA) that provides for compensation to non-miners who have OLD.
COIDA provides for compensation payments to workers suffering permanent disabilities from OLD, which are classified as
pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD. The capitalized value of a pension liability (in accordance with COIDA) is usually greater than
that of a lump sum compensation payment (under ODMWA). In addition, under COIDA compensation becomes payable at
a lower threshold of permanent disability than under ODMWA. It is estimated that under COIDA about two to three times
more of AngloGold Ashanti's employees would be compensated as compared with those eligible for compensation under
ODMWA.
If the proposed combination of COIDA and ODMWA were to occur, this could further increase the level of compensation
claims AngloGold Ashanti could be subject to and consequently could have an adverse effect on its financial condition.

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The costs associated with the pumping of water inflows from closed mines adjacent to AngloGold Ashanti's operations could have an adverse effect upon its results of operations.

Certain of AngloGold Ashanti's mining operations are located adjacent to the mining operations of other mining companies. The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at the adjacent closed mine are suspended. Such ingress could have an adverse effect upon any one of AngloGold Ashanti's mining operations as a result of property damage, disruption to operations and additional pumping costs.

AngloGold Ashanti has embarked on legal action in South Africa after the owner of an adjacent mine put the company owning the adjacent mining operation into liquidation, raising questions about its and other companies' willingness to meet their water pumping obligations.

The relevant mining companies have entered into a settlement agreement and will establish a not-for-profit water company to conduct the water pumping activities at the highest lying shaft which is owned by Stilfontein Gold Mining Company (in liquidation). The three mining companies will contribute equally to the cost of establishing and initially running the water company until it becomes self funding.

Some of AngloGold Ashanti's power supplies are not always reliable and have on occasion forced it to halt or curtail activities at its mines. Power fluctuations and power cost increases may adversely affect AngloGold Ashanti's results of operations and its financial condition.

All of AngloGold Ashanti's mining operations in Ghana are dependent for their electricity supply on hydro-electric power supplied by the Volta River Authority (VRA) an entity controlled by the government of Ghana, although AngloGold Ashanti also has access to VRA electricity supply from a recently constructed smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and during periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998. In addition, this electricity supply has been subject to voltage fluctuations, which can damage the group's equipment.

The VRA also obtains power from neighboring Cote d'Ivoire, which has intermittently experienced some political instability and civil unrest. These factors, including increased power demand from other users in Ghana, may cause interruptions in AngloGold Ashanti's power supply to its operations in Ghana or result in increases in the cost of power even if they do not interrupt supply. Consequently, these factors may adversely affect AngloGold Ashanti's results of operations and its financial condition.

In order to address this problem and to supplement the power generated by the VRA, AngloGold Ashanti have agreed together with the other three principal gold producers in Ghana to acquire (and equally fund) an 85 megawatt, diesel-fired, power plant that could be converted to gas supply once the anticipated West African Gas Pipeline is developed. While AngloGold Ashanti believes that this additional power should alleviate any current power shortages, it may not do so if the power supply from the VRA further deteriorates due to either reduced power generation or increased demand from other

users.

AngloGold Ashanti's mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors and supplies of fuel being delivered by road. AngloGold Ashanti's power supply has been disrupted in the past
and it has suffered resulting production losses as a result of equipment failure. Recently, South Africa has started to experience power outages. Should similar events occur in future, or should fluctuations or power cost increases adversely
affect AngloGold Ashanti's other operations, this would have an adverse effect on AngloGold Ashanti's operational results
and its financial condition.

The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may adversely affect its cash flows and overall profitability.

AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse
effect on its operations and profitability. This insurance is maintained in amounts that are believed to be reasonable depending upon the circumstances surrounding each identified risk.

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However, AngloGold Ashanti's insurance does not cover all potential risks associated with its business. In addition, AngloGold Ashanti may elect not to insure certain risks, due to the high premiums associated with insuring those risks or for various other reasons, including an assessment that the risks are remote. Furthermore, AngloGold Ashanti may not be able to obtain insurance coverage at acceptable premiums. AngloGold Ashanti has a captive insurance company, namely AGRe Insurance Company Limited, which participates at various levels in certain of the insurances maintained by AngloGold Ashanti. The occurrence of events for which it is not insured may adversely affect AngloGold Ashanti's cash flows and overall profitability.

Risks related to AngloGold Ashanti's ordinary shares and American Depositary Shares (ADSs)

Sales of large quantities of AngloGold Ashanti's ordinary shares and ADSs, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of AngloGold Ashanti's ordinary shares or ADSs could fall if large quantities of ordinary shares or ADSs are sold in the public market, or there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of AngloGold Ashanti's ordinary shares or ADSs may decide to sell them at any time.

AngloGold Ashanti has entered into a registration rights agreement with AA plc that would facilitate US registration of additional offers and sales of AngloGold Ashanti shares that AA plc makes in the future, subject to certain conditions. Sales of ordinary shares or ADSs if substantial, or the perception that sales may occur and be substantial, could exert downward pressure on the prevailing market prices for AngloGold Ashanti ordinary shares or ADSs, causing their market prices to decline. In April 2006 Anglo American plc (AA plc) sold 19,685,170 ordinary shares it held in AngloGold Ashanti, reducing AA plc's shareholding in AngloGold Ashanti from approximately 51 percent of outstanding shares to approximately 42 percent as at December 31, 2006. AA plc has stated that it intends to reduce and ultimately to exit its gold company holdings and that it will continue to explore all available options to exit AngloGold Ashanti in an orderly manner.

Fluctuations in the exchange rate of different currencies may reduce the market value of AngloGold Ashanti's securities, as well as the market value of any dividends or distributions paid by AngloGold Ashanti.

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the US dollar value of these dividends, as well as of any other distributions paid by the relevant depositary to investors that hold AngloGold Ashanti's securities. This may reduce the value of these securities to investors. The Memorandum and Articles of Association of the company allows for dividends and distributions to be declared in any currency at the discretion of AngloGold Ashanti's board of directors, or its shareholders at a general meeting. If and to the extent that AngloGold Ashanti opts to declare dividends and distributions in dollars, exchange rate movements will not affect the dollar value of any dividends or distributions. Nevertheless, the value of any dividend or distribution in Australian dollars, British pounds, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and

distributions are
declared in South African rands, exchange rate movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and US dollar value of these dividends and distributions. Furthermore, the market value of AngloGold Ashanti's securities as expressed in Australian dollars, British pounds, Ghanaian cedis, US dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

The recently announced proposal by the South African Government to replace Secondary Tax on Companies with withholding tax on dividends and other distributions may impact on the amount of dividends or other distributions received by the company's shareholders

On February 21, 2007, the South African Government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. This proposal is expected
to be implemented in phases between 2007 and 2009. Although this may reduce the tax payable by the South African operations of the company thereby increasing distributable earnings, the withholding tax will generally reduce the amount
of dividends or other distributions received by AngloGold Ashanti shareholders.

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Item 4: Information on the company

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

4A.

History and development of the company

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 comprising open-pit and underground mines and surface metallurgical plants are located in ten 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 proven and probable Ore Reserves of the group amounted to 66.0 million ounces as at December 31, 2006.

AngloGold Ashanti is listed on the following securities exchanges under the respective trading symbols:

- Johannesburg (ANG) – the company's primary listing;
- New York (AU) in the form of American Depositary Shares (ADSs). Each ADS is equivalent to one ordinary share;
- Australia (AGG) in the form of Clearing House Electronic Subregister System Depositary Interests (CDIs). Each CDI is equivalent to one-fifth of an ordinary share;
- London (ANG);
- Paris (VA);
- Brussels (ANG); and
- Ghana (AGA) in the form of Ghanaian Depositary Shares (GhDSs) under the symbol AADS. Each GhDS is equivalent to one-hundredth of an ordinary share.

AngloGold Ashanti Limited (formerly AngloGold 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 (Vaal Reefs) and operates under the South African Companies Act, 61 of 1973, as amended. Its principal executive office is located at 76 Jeppe Street, Newton, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa (Telephone +27 11 637-6000). AngloGold Ashanti's US offices are at the offices of AngloGold Ashanti North America Incorporated, 7400 East Orchard Road, Suite 350, Greenwood Village, CO 80111.

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, global gold company. Vaal Reefs, the vehicle for the consolidation, changed its name to AngloGold Limited and increased its authorized share capital, effective March 30, 1998.

AngloGold then acquired, in share-for-share exchanges in terms of South African schemes of arrangement and following shareholder approval, all of the issued share capital of the following participating companies:

- East Rand Gold and Uranium Company Limited (Ergo);
- Eastvaal Gold Holdings Limited (Eastvaal);
- Southvaal Holdings Limited (Southvaal);
- Free State Consolidated Gold Mines Limited (Freegold);

- Elandsrand Gold Mining Company Limited (Elandsrand);
- H.J. Joel Gold Mining Company Limited (HJ Joel); and
- Western Deep Levels Limited (Western Deep Levels)

(collectively the “participating companies”). 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 addition, AngloGold acquired in private transactions with AAC and minority shareholders certain share interests in gold mining companies, including:

- approximately 17 percent of Driefontein Consolidated Limited (Driefontein);
- 100 percent of Anmercosa Mining (West Africa) Limited (Anmin West Africa);
- approximately 89 percent of Western Ultra Deep Levels Limited (Western Ultra Deep);

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- approximately 52 percent of Eastern Gold Holdings Limited (Eastern Gold);
- 70 percent of Erongo Mining and Exploration Company Limited (Erongo); and
- other sundry share interests

(collectively the "share interests companies"). A total of 25,734,446 ordinary shares were issued to AAC and 957,920 ordinary shares to minority shareholders in exchange for their shares in these companies. AngloGold also acquired certain gold exploration and mining rights from AAC and other companies in exchange for which 1,623,080 ordinary shares were issued to AAC and 4,210,412 ordinary shares to other companies. Prior to the consolidation, Vaal Reefs was a client company of AAC under a service agreement and HJ Joel was a client company of Johannesburg Consolidated Investments Limited (JCI) under another service agreement. Under these agreements, AAC and JCI provided certain technical, administrative, secretarial and purchasing services. In connection with the above transaction, AngloGold acquired from AAC and JCI all the rights under these service agreements relating to the participating companies listed above. AngloGold now provides these services. The rights under the service agreements were acquired from AAC in exchange for 6,834,872 ordinary shares of AngloGold, and the rights under the service agreement from JCI were acquired for a cash amount of R62.5 million ($11 million).

The consolidation was approved by the required majorities of the shareholders of AngloGold and the participating companies and became effective on June 29, 1998, for accounting purposes. The participating companies and the 50 percent or more owned share interests companies became subsidiaries, and the less than 50 percent owned share interests companies became associate companies.

Effective March 31, 1999, AngloGold purchased Minorco's gold interests located primarily in North and South America.

Effective April 30, 1999, AngloGold acquired the remaining 30 percent interest in Erongo for R30 million ($5 million).

Effective December 31, 1999, AngloGold acquired Acacia Resources in Australia, including all or part of new mining operations and exploration activities. A total of 18,020,776 AngloGold shares were issued in this transaction.

Effective July 3, 2000, AngloGold acquired an effective 40 percent interest in the Morila mine located in Mali from Randgold Resources.

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

In 2000, in support of its market development initiatives, AngloGold acquired a 25 percent interest in OroAfrica, South Africa's largest manufacturer of gold jewellery and a 33 percent holding in GoldAvenue, an e-commerce business in gold, created jointly with JP Morgan and Produits Artistiques de Metaux Precieux (PAMP). Gold Avenue continued to sell gold jewellery by catalogue and through the internet until early 2004, when it was wound-up.

In December 2000, agreement was reached with Harmony Gold Mining Company Limited, whereby Harmony agreed to purchase AngloGold's Elandsrand and Deelkraal mines with effect from February 1, 2001, for an amount of R872 million ($109 million). On April 9, 2001, the sale became unconditional.

In terms of an agreement signed with African Rainbow Minerals Gold Limited (currently Harmony Gold Mining Company Limited) (ARM) in January 1998, the No. 2 Shaft Vaal River Operations was tributed to ARM on the basis that 40 percent of all revenue, costs and capital expenditure would be attributable to ARM, with the balance to AngloGold. With

effect from
July 1, 2001, AngloGold announced that it had disposed of its interests in No. 2 Shaft Vaal River Operations to ARM for
R10 million ($1 million).
On September 5, 2001, AngloGold announced that it was to make a takeover offer for Normandy Mining Limited (Normandy), Australia's largest listed gold mining company. Arising out of the offer, a total of 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 takeover offer did not come to fruition and the Normandy shares acquired were sold on the
market on January 21, 2002, realizing a total of $158 million.

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On April 11, 2002, AngloGold announced that the final condition precedent for the sale of its Free State assets to African Rainbow Minerals Gold Limited (currently Harmony Gold Mining Company Limited) and Harmony Gold Mining Company Limited, through a jointly-owned company, had been fulfilled for a net consideration of R2,523 million ($229 million) (including tax payable by AngloGold and net of contractual obligations) pursuant to the sale. The sale was effective from January 1, 2002.

During July 2002 AngloGold acquired an additional 46.25 percent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA, a company conducting gold mining operations in Argentina, from Pérez Companc International SA, for a net consideration of $97 million, thereby increasing its interest in Cerro Vanguardia to 92.5 percent.

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 October 1, 2002, for a consideration of R5 million, comprising R1.4 million in respect of the equity interest and R3.6 million, in respect of a loan claim. In respect of the equity interest, R450,000 in cash and the outstanding balance of R950,000 together with the loan of R3.6 million is payable in five equal annual installments, together with interest, commencing October 1, 2003. The agreement of sale provides for a 10 percent interest in Stone and Allied Industries (O.F.S.) Limited to be held by Masakhisane Investment Limited, a wholly-owned subsidiary established by AngloGold in terms of its Small and Medium Enterprises Development Initiative, which company will render technical and administrative assistance to the purchasers until the total amount of the consideration has been settled. During 2006 Masakhisane Investment Limited sold its interest in Stone and Allied Industries (O.F.S.) Limited.

On April 8, 2003, AngloGold announced that it had reached agreement with Helix Resources Limited for the sale of its interest in the Gawler Craton and Tarcoola Joint Ventures in South Australia. As announced on June 6, 2003, the sale of AngloGold's 49 percent stake in the Gawler Craton Joint Venture, including the Tunkillia project was finalized, for a consideration comprising 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 November 30, 2005, with an additional payment of $335,000 (A$500,000) deferred to the delineation of 350,000 ounces. Helix's proposed acquisition of AngloGold's rights to the Tarcoola Project, 60 kilometers to the south, was excluded from the final agreement. This resulted in a restructure of the terms of the original agreement as announced on April 8, 2003. On April 23, 2005, the company received a further 416,667 full 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 November 30, 2005.

On May 23, 2003, AngloGold announced that it had signed an agreement to sell its wholly-owned Amapari Project, located in the State of Amapá, North Brazil, to Mineraç o Pedra Breanca do Amapari, for a total consideration of $18 million. The effective date of the transaction was May 19, 2003. Since acquiring the property as part of the Minorco transaction, AngloGold sought to prove up additional reserve ounces in order to achieve a size and lifespan 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 July 2, 2003, AngloGold announced that it had concluded the sale of its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc., effective June 30, 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 reclamation liabilities. The shares acquired by AngloGold in this transaction, were sold in November 2003.

In 2004, Queenstake approached the Jerritt Canyon Joint Venture partners about the possibility of monetizing all or at least a majority of the $6 million in deferred payments and $4 million in future royalties. Based on an agreement reached between the parties, AngloGold Ashanti was paid on August 25, 2004, approximately $7 million for its portion of the deferred payments and future royalties, thereby monetizing all outstanding obligations, except for a minor potential royalty interest that AngloGold Ashanti retained.

On July 8, 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.

In August 2003, AngloGold announced the launch of an offering of R2 billion bonds due 2008, followed by an announcement of August 27, 2003, which advised the pricing of the offering at 10.5 percent. The offer closed and was settled on August 28, 2003.

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

On January 20, 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 November 24, 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 October 10, through October 18, 2005, AngloGold Ashanti Australia reduced its shareholding in Tanami Gold to 5 percent, through 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 (Ashanti), initially announced on May 16, 2003, was completed with effect from Monday, April 26, 2004, following the confirmation by the High Court in Ghana on Friday, April 23, 2004, of the scheme of arrangement, in terms of which AngloGold acquired the entire issued share capital of Ashanti. In 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. Ashanti became a private company and a wholly-owned subsidiary of AngloGold and AngloGold changed its name to AngloGold Ashanti Limited on April 26, 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 February 27, 2004, AngloGold Holding plc, a subsidiary of AngloGold, completed an offering of $1 billion principal amount 2.375 percent convertible bonds, due 2009. The bonds are guaranteed by AngloGold Ashanti.

On July 1, 2004, AngloGold Ashanti announced that it had entered into an agreement with Trans-Siberian Gold plc (TSG) for the acquisition of a 29.9 percent stake in the company through an equity investment of approximately £18 million ($32 million) in two subscriptions for ordinary shares. On December 23, 2004, it was announced that the second subscription had been delayed to April 15, 2005 while on April 18, 2005, the second subscription date was extended by a further two weeks to April 29, 2005. On April 28, 2005, the Company announced that agreement had been reached with TSG on revised terms for the second subscription of shares in TSG, and a revised subscription price of £1.30 per share, compared to £1.494 per share agreed between the parties on June 30, 2004. The revised terms of the subscription was approved by TSG shareholders on May 27, 2005 and AngloGold Ashanti's 17.5 percent equity interest in TSG

increased
to 29.9 percent on May 31, 2005, the date on which the second subscription for 6,131,585 ordinary shares in TSG for an
aggregate consideration of £8 million ($15 million) was completed.

On August 5, 2004, AngloGold Ashanti announced the sale of its Union Reefs assets to the Burnside Joint Venture, comprising subsidiaries of Northern Gold NL (50 percent) and Harmony Gold Mining Company Limited (50 percent), 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 made on September 10, 2004, AngloGold Ashanti confirmed its agreement to sell its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited for a total consideration of
$2.255 million, to be settled in two tranches, $0.75 million immediately and the balance ($1.505 million) to be settled within
six months of the satisfaction of all conditions to the sale agreement. The sale was effective on September 1, 2004, and all
conditions to the sale agreement were satisfied on April 22, 2005.

Subsequently in August 2005, AngloGold Ashanti and Mwana Africa Holdings (Proprietary) Limited agreed that the second
payment of $1.505 million would be settled by an immediate payment of $1 million and the subsequent issue to AngloGold
Ashanti of 600,000 Mwana Africa plc shares, once that company listed on the London Stock Exchange. Mwana Africa plc
is a junior exploration and mining company with assets located in Zimbabwe as well as in the Democratic Republic of Congo. As at December 31, 2006, AngloGold Ashanti retains its 600,000 shares in Mwana Africa Holdings (Proprietary)
Limited. The sole operating asset of Ashanti Goldfields Zimbabwe Limited as sold to Mwana Africa Holdings (Proprietary)
Limited was the Freda-Rebecca Gold Mine.

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Agreement was reached to sell AngloGold Ashanti's 40 percent equity interest in Tameng Mining and Exploration (Proprietary) Limited of South Africa (Tameng) to Mahube Mining (Proprietary) Limited for a cash consideration of R20 million ($3 million). Tameng owns certain mineral rights to 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 September 1, 2004.

On October 11, 2004, AngloGold Ashanti announced that it had signed an agreement with Philippines explorer Red 5 Limited to subscribe for a 12.3 percent 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 along strike from 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. For a period of 2 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 percent interest in areas of interest through further investment in exploration in these Joint Venture areas. On August 26, 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 percent. As at December 31, 2006, AngloGold Ashanti held 13 percent in Red 5 Limited, after the dilution of shareholding (from 14.1 percent) resulting from the increase in issued share capital.

On September 18, 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 may earn between 52 percent and 58.5 percent interest in two tenements through an additional expenditure of A$4 million ($3 million), with a right to increase its holding by 8 percent to 9 percent through an additional spend of A$5 million ($4 million).

On January 27, 2005, AngloGold Ashanti announced the signing of a new three-year loan facility agreement for $700 million to replace the existing $600 million facility that matured in February 2005. The new facility reduced the group's cost of borrowings, as the borrowing margin over LIBOR reduced from 70 to 40 basis points.

A substantial restructuring of the AngloGold Ashanti hedge book commenced in late December 2004 and was completed in January 2005. This resulted in a reduction in the net delta of the combined hedge by 2.2 million ounces during the fourth quarter of 2004.

On April 15, 2005, the South African Department of Water Affairs and Forestry issued a directive ordering three mining groups, DRD Gold, Harmony and AngloGold Ashanti to share equally the costs of pumping water at some shafts of DRD Gold's North West operations in South Africa. This follows an interdict application made by AngloGold Ashanti in response to DRD Gold's threat to cease funding the pumping of water at these shafts, after placing Buffelsfontein, its subsidiary that operated the North West operations, into liquidation on March 22, 2005.

On April 29, 2005, AngloGold Ashanti announced the conditional sale of exploration assets in the Laverton area in Australia, comprising the Sickle royalty of $30 per ounce, the Child Harold prospect, various 100 percent 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 July 19, 2005, Aflease Gold and Uranium Resources Limited (Aflease) announced that it had purchased from AngloGold Ashanti, its Weltevreden mine in an all script deal valued on May 6, 2005 at R75 million ($11 million). On December 19, 2005, Aflease was acquired by sxr Uranium One Incorporated (formerly Southern Cross Incorporated).

As certain conditions precedent to the agreement with regards to mining rights conversion were not fulfilled as of December 31, 2006, the Company has separately classified assets and liabilities for Weltevreden presented in the consolidated balance sheet, as held for sale.

On July 27, 2005, AngloGold Ashanti reached an agreement with the Government of Guinea to amend the Convention de
Base (stability agreement) and resolve all outstanding disputes for a sum of $7 million. In addition, the Company has agreed as part of this settlement to meet historical and follow-up fees and costs of a consultant that the government retained to advise and assist it in its negotiations and resolution of the dispute. In consideration of the above settlement,
the government has irrevocably confirmed its waiver and abandonment of all claims and disputes of any nature whatsoever against the AngloGold Ashanti group of companies.

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On August 2, 2005, AngloGold Ashanti announced that the company had received notification from the Director-General of Minerals and Energy that it had been granted its application for new order mining rights in terms of the Mineral Resources and Petroleum Development Act. In its application for these rights, the company committed itself to achieving the Mining Charter's goals, including: 40 percent representation in management of Historically Disadvantaged South Africans within five years; participating in local economic development programmes in the areas where it operates and from which it draws its labor; and meeting the Mining Charter's empowerment ownership target.

On August 11, 2005, AngloGold Ashanti announced that it had disposed of its La Rescatada project to ARUTANI SAC, a local Peruvian corporation, for a total consideration of $12.5 million with an option to repurchase 60 percent of the project should economically viable reserves in excess of 2 million ounces be identified within three years, and accordingly, the accounting consequences will be deferred.

On October 26, 2005, AngloGold Ashanti announced that it welcomed the announcement by Anglo American that it intends to provide AngloGold Ashanti with greater flexibility to pursue its strategy by deciding to reduce its shareholding in the company, whilst still intending to remain a significant shareholder in the medium term.

On February 27, 2006, AngloGold Ashanti announced that it had signed an agreement with Dynasty Gold Corporation, a Vancouver-based company, with exploration activities in China, to acquire an effective 8.7 percent stake in that company through a purchase of 5.75 million Dynasty units at a price of C$0.40 each. Each unit consists of one common share and one-half common share purchase warrant exercisable at a price of C$0.60 per unit for two years.

On April 10, 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 June 1, 2006, AngloGold Ashanti and Bema Gold Corporation (Bema) announced that they would 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. It is the intent of the parties to ultimately list a new company which will hold Bema's interest in the joint venture and in which AngloGold Ashanti has the right to subscribe for a 20 percent shareholding. In November 2006, certain members of Bema's management formed a company, B2 Gold, which company would acquire certain rights held by Bema following the acquisition by Kinross Gold of Bema in December 2006. On February 14, 2007, AngloGold Ashanti consented to the ultimate assignment of Bema's rights and responsibilities to B2 Gold in terms of the joint venture agreement entered into between AngloGold Ashanti and Bema.

On June 30, 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 percent interest in six Alaska mineral exploration properties and associated databases in return for 5,997,295 common shares of ITH stock, representing an approximate 19.99 percent interest in ITH (June 15, 2007; 15.68 percent). The sales transaction was closed on August 4, 2006. AngloGold Ashanti also granted to ITH the exclusive option to acquire a 60 percent 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 July 14, 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 plc will commit to fund a minimum of $1 million 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 percent of the joint venture. Both AngloGold Ashanti and Antofagasta plc will have the right to increase their interests by 20 percent in copper-dominant and gold-dominant properties subject to certain conditions.

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On August 23, 2006, AngloGold Ashanti announced that it had entered into a conditional agreement with Central African Gold plc (CAG) to sell the assets, related to Bibiani and Bibiani North prospecting permit, including all of Bibiani's employees, fixed mining and non-mining assets, inventory, trade receivables and intellectual property as well as the Bibiani mining 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. The conditions precedent to the sale of Bibiani were satisfied effective December 28, 2006. The Bibiani North prospecting license was assigned to CAG on May 17, 2007, by the Ghanaian Land Commission and Registry. Arising from the sale of Bibiani assets, AngloGold Ashanti decided to apply $3 million of the partial proceeds to an investment of 15,825,902 Central African Gold plc (CAG) shares. Subsequent to this decision, local regulators required that the shares in CAG be sold within 90 days of December 28, 2006. On February 14, 2007, the Company disposed of 7,000,000 CAG shares yielding total proceeds of £768,845 ($1.5 million) and during April 2007, disposed of the remaining 8,825,902 CAG shares yielding total proceeds of £894,833 ($1.8 million).

On August 30, 2006, AngloGold Ashanti announced that it had been advised by the Volta River Authority (VRA) of potential power shortage at its Ghanaian operations due to water shortages impacting the VRA's power generating facilities. This announcement was followed by an update on September 6, 2006, in which AngloGold Ashanti advised that the company was in discussions with the VRA, the Chamber of Mines in Ghana and the government of Ghana on activities designed to minimize 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 impact on production which the power shortages at its three Ghanaian operations should the situation be prolonged.

On September 21, 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 would cooperate in exploration, acquisition and development of gold mining opportunities within the Russian Federation. At the same time, AngloGold Ashanti announced that it had submitted an offer to the board of Trans-Siberian Gold plc (TSG) to acquire all of TSG's interest in its Krasnoyarsk based subsdiaries, OOO GRK Amikan and OOO Artel Staratelei Angarskaya Proizvodstvennaya Kompania for a total consideration of $40 million. TSG announced on February 12, 2007, that the agreements for the sale of its Krasnoyarsk based subsidiaries to AngloGold Ashanti had been signed. The South African Reserve Bank has approved the transaction. These companies to be acquired from TSG by AngloGold Ashanti, together with two greenfields exploration companies held by Polymetal, hold the initial operating assets of the strategic alliance. The Company's aggregate shareholding in TSG at December 31, 2006, was 12,263,170 ordinary shares (29.9 percent interest held).

On October 2, 2006, AngloGold Ashanti announced the imminent finalization 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 (Proprietary) Limited (an empowerment company) of an
equity interest in AngloGold Ashanti. On December 11, 2006, the AngloGold Ashanti shareholders approved this transaction and shares were issued on December 15, 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 (Proprietary) Limited. For further details of the share issue see “Item 10A.: Share capital”.

On June 1, 2007, AngloGold Ashanti Australia Ltd announced the commencement of a pre-feasibility study at the Tropicana gold project in Western Australia. Tropicana, located 400 kilometers north-east of Kalgoorlie, is a joint venture
between AngloGold Ashanti Australia (70 percent) and Independence Group NL (30 percent free carried to completion of
the pre-feasibility study). The study is expected to be completed in mid-2008 and will focus on the Tropicana and Havana
zones and will only consider open-cut resources.

On June 8, 2007, AngloGold Ashanti Limited announced that it had sold to a consortium of Mintails South Africa (Pty)
Limited / DRD South African Operations (Pty) Limited Joint Venture (the Joint Venture) most of the remaining moveable
and immovable assets of Ergo, the surface reclamation operation east of Johannesburg, discontinued in March 2005. The
site is currently being rehabilitated by AngloGold Ashanti. The assets and associated liabilities were sold for R42,8 million
(approximately $6 million). The joint venture will operate, for its own account, under the AngloGold Ashanti authorizations
until new order mining rights have been obtained and transferred to the Joint Venture. A specific exclusion from the sale to
the Joint Venture is the Brakpan Tailings Storage Facility which will continue to be rehabilitated by AngloGold Ashanti.

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4B. Business overview

The market for gold

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 to many other commodity markets. Physical demand for gold is primarily for fabrication purposes, including jewellery (which accounts for 80 percent 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 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 2006, followed by a renewed bout of investor interest that drove the price back to the mid-$600's in July 2006.Price volatility peaked in the second quarter, with relative stability returning to the gold market in the latter part of August 2006 and continuing through to the year end.

In 2006 there was again a correlation between the US dollar exchange rate against the euro and the gold price. From an opening exchange rate of $/€1.18 for the year the US 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 weaker at R7.00/$1. This weakening helped push the rand gold price to new highs of R157,000 per kilogram in July 2006 and to average R131,335 per kilogram for 2006, or some 45 percent higher than the average rand gold price for 2005.

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 amongst 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 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.

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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 percent lower year-on-year, or 3,866 tonnes versus 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 stabilize, 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 USA 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 percent, or 437 tonne, decline in global gold jewellery fabrication for the year.

Industrial demand grew healthily through the year, posting a 7 percent total 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 socioeconomic 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 percent lower than in 2005. The main cause of this decline was the 34 percent 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.

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As at December 31, 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 to 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 a 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 percent gold, or smaller bars weighing 1.0 kilograms or less with a gold content of 99.5 percent 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 India or 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

AngloGold Ashanti has since its inception 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 favor 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 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 endeavors. 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

India is the world's largest consumer market in tonnage terms. Gold demand for this country is firmly embedded in cultural

and religious traditions and is seen as a symbol of wealth and prosperity, as well as considered to be an auspicious metal
that is bought and gifted 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 modernization of the country's traditional gold jewellery sector. One concept centers 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.

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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 commercialized and retailed through the partner's stores. AngloGold Ashanti has also undertaken to support the development and rollout 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 characterized primarily as an adornment market in which gold jewellery is purchased mainly as a fashion accessory. During the past ten years, there has been a slippage in gold jewellery consumption in volume terms in the US market relative to other luxury and lifestyle goods.

Contributing in part to this decline has been the commoditization of gold jewellery through the mass-market retail channel, which has tended to sell jewellery on price rather than design style. Consumer research, however, suggests that the US customer shops in a fashion- and trend-conscious way and is therefore generally receptive to brands and branding. Furthermore, the US market is viewed by consumers in other important consumption categories as an opinion- and trend-forming market. Influencing the purchasing motives and buying patterns of the US consumer base can therefore 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 US 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 (GE) 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 US retail market and to lay the foundation for Italian manufacturers to build themselves or their products into consumer brands.

Middle East

As a region, the Middle East (comprising the UAE, 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 impacted positively on gold jewellery consumption.

While the challenge from increasingly more prominent lifestyle, luxury and branded products is, as it is in other markets, clearly growing, the gold category in the Middle East has so far sustained its already high gold consumption per capita rates compared to population growth 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 WGC's (GE) initiative. The project
is intended to improve the gold jewellery product and retailing proposition offered both to the domestic and also tourist
consumer segments in the Middle East.

Host Country Jewellery Sector Development

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

- Corporate image building;
- Creation of potential goodwill by supporting were possible host governments' beneficiation agendas; and
- Providing a platform for strategic market development projects.

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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 percent 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 AngloGold Ashanti 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, he project seeks to promote AngloGold Ashanti to jewellery industry participants and 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 in July 2006 announced that its London-based nuclear fuel marketer and trader, Nufcor International Limited (Nufcor International), (a 50:50 joint venture with First Rand International) had established and listed a new investment company, Nufcor Uranium Limited (Nufcor Uranium), on London's Alternative Investment Market (AIM). This new listing is 10 percent held by Nufcor International with the remaining shares held by institutional investors. The strategy of Nufcor Uranium is to buy and hold uranium oxide, in the form of U_3O_8, for the long term and not to actively trade it. Nufcor International is contracted to provide custodial and advisory services to Nufcor Uranium. This is the first time that equity investors can gain direct exposure to the uranium price, in the form of U_3O_8, on a European exchange. NUL listed on AIM at 205p and ended the year up 49 percent at 304.50p.

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 ten this decade. A number of drivers have sustained the price increases, including changes in the uranium sales processes.

Most notably, 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. Operational difficulties on the supply side in Canada in late October triggered the highest monthly uranium oxide price increase on record. Given these
strong market fundamentals, further increases in prices can be anticipated in the near-term.

Gold production and mine-site rehabilitation processes

The process of producing gold can be divided into six main phases:

- finding the orebody;
- creating access to the orebody;
- removing the ore by mining or breaking the orebody;
- transporting the broken material from the mining face to the plants for treatment;
- processing; and
- refining.

This basic process applies to both underground and surface operations.

Finding the orebody

AngloGold Ashanti's global exploration group identifies targets and undertakes exploration, on its own or in conjunction with joint venture partners.

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Creating access to the orebody

There are two types of mining which take place to access the orebody:

- underground mining: a vertical or decline shaft (designed to transport people and/or materials) is sunk deep into the ground, after which horizontal development takes place at various levels of the main shaft or decline. This allows for further on-reef development of specific mining areas where the orebody has been identified; and
- open-pit mining: where the top layers of topsoil or rock are removed in a process called ‘stripping’ to uncover the reef.

Removing the ore by mining or breaking the orebody

- In underground mining, holes are drilled into the orebody, filled with explosives and then blasted. The blasted ‘stopes’ or ‘faces’ are then cleaned and the ore released is then ready to be transported out of the mine.
- In open-pit mining, drilling and blasting may also be necessary to release the gold- bearing rock; excavators then load the material onto the ore transport system.

Transporting the broken material from the mining face to the plants for treatment

- Underground ore is transported by means of vertical and/or horizontal transport systems. Once on the surface, conveyor belts usually transport the ore to the treatment plants.
- Open-pit mines transport ore to the treatment plants in vehicles capable of hauling large, heavy loads.

Services

Mining activities require extensive services, both on the surface and underground, including:

- mining engineering services;
- mine planning;
- ventilation;
- provision of consumable resources;
- engineering services;
- financial, administration and human resource services; and
- environmental/sustainable development services.

Processing

- Comminution is the process of breaking up ore to make gold available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits. Modern technology is to use large mills fed directly with run-of-mine material.
- Gold ores can typically be classified into:
- refractory ores, where the gold is locked within a sulphide mineral and not readily available for recovery by the cyanidation process; or
- free milling, where the gold is readily available for recovery by the cyanidation process.

Refractory ore treatment: after fine grinding, the sulphide materials are separated from the barren gangue material using flotation to produce a high-grade sulphide concentrate. The sulphide concentrate is oxidized by either roasting as at AngloGold Ashanti Brasil Mineração or bacterial oxidation (BIOX) as at Obuasi. The oxidation process oxidizes the sulphide minerals, liberating the gold particles and making them amenable to recovery by the cyanidation process.

- Free milling and oxidized refractory ores are processed for gold recovery by leaching the ore in agitated tanks in an alkaline cyanide leach solution. This is generally followed by adsorption of the gold cyanide complex onto activated carbon-in-pulp (CIP).
- An alternative process is the heap-leach process. This process is generally considered applicable to high-tonnage, low-grade ore deposits, but it can be successfully applied to medium-grade deposits where the ore deposit tonnage cannot economically justify constructing a process plant. Run- of-mine ore is crushed and heaped on a leach pad. Low strength alkaline cyanide solution is applied, generally as a drip, to the top of the heap for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon. The stripped solution is recycled to the top of the heaps.

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- Gold adsorbed onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electro-winning cells and subsequent smelting of that precipitate into doré bars that are shipped to the gold refineries.
- Retreatment of tailing stockpile from previous decades' operations is also practiced by AngloGold Ashanti. The old tailings are mined by water sluicing followed by agitator leaching in alkaline cyanide solution and recovery of dissolved gold onto activated carbon.
- At AngloGold Ashanti operations, the main by-products produced are:
- silver, which is associated with gold in ratios ranging from 0.1:1 to 200:1 silver to gold;
- sulphuric acid which is produced from the gases generated by the roasting plants; and
- uranium which is recovered in a process which involves initial acid leaching followed by recovery of the leached uranium onto resin and subsequent stripping with ammonium hydroxide and precipitation of crude yellow cake.
- The tailings from the process operations are stored in designated tailings storage facilities designed to enhance water recovery and prevent contaminant seepage into the environment.

Refining

The doré bars are transported to a refinery for further refining, to as close to pure gold as possible. This is known as good delivery status. This gives the assurance that the bar contains the quantity and purity of gold as stamped on the bar.

The process of mine-site rehabilitation

In all the jurisdictions in which the company operates, it is required to conduct closure and rehabilitation activities to return the land to a productive state once mining has been completed. Additionally, the company is required to provide financial assurance, in a form prescribed by law, to cover some or all of the costs of the anticipated closure and rehabilitation costs for the operation. Rehabilitation refers to the process of reclaiming mined land to the condition that existed prior to mining or to a pre-determined post-mining use.

Closure plans are devised prior to the commencement of operation and are regularly reviewed to take into account life-of-mine projections. Although the final cost of closure cannot be fully determined ahead of closure, appropriate provision is made during the mine's economic operation.

Operating performance and outlook

In 2006, gold production declined by 9 percent to 5.6 million ounces from the 6.2 million ounces produced in 2005, primarily as a result of lower ounces from South African operations in line with the company's plans for 2006, from Geita in Tanzania as a result of delays in the mining schedule to access the high-grade ore, and from Bibiani in Ghana as a result of the move to tailings-only production. Consequently, total cash costs in 2006 rose by 14 percent to $321 per ounce compared with 2005 of $281 per ounce (2004: $264 per ounce).

In 2005, gold production, including equity accounted joint ventures, adjusted for Ergo, rose 6 percent to 6.2 million ounces from the 5.8 million ounces produced in 2004. Of the 2005 production, 2.7 million ounces (43 percent) came from deep-level hard-rock operations in South Africa, and the balance of 3.5 million ounces (57 percent) from the shallower and surface operations. No new operations came into production in 2005, while the Ergo facility in South Africa was

closed
and the Savuka mine, also in South Africa, is in closure mode. Strong operating currencies against the US dollar – particularly the South African rand and the Brazilian real – contributed to the rising cost of inputs, as well as inflationary
pressures (including a new two-year wage settlement) in South Africa. This was partially mitigated by cost-savings initiatives, primarily in South African. Consequently, total cash costs in 2005 rose by 6 percent to $281 per ounce compared with 2004 of $264 per ounce.

Outlook: During the first quarter of 2007, AngloGold Ashanti produced 1.33 million ounces at an average cash costs of
$332 per ounce, before the effects of change in accounting policy for deferred stripping. Gold production for the second
quarter of 2007 is expected to be marginally higher at around 1.35 million ounces at a cash cost, before the effects of change in accounting policy for deferred stripping, broadly similar to that achieved during the first quarter of 2007.

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For the full year 2007, AngloGold Ashanti is targeting gold production of around 5.7 million ounces at a cash cost of $323 per ounce, before the effects of change in accounting policy for deferred stripping, based on the following exchange rates: $/R7.16, A$/$0.81, $/BRL2.00 and $/ARS3.11. AngloGold Ashanti's ability to meet the full year's production target could be impacted by, amongst other factors, siesmicity in South Africa, power shortages in Africa, lower grades at some of its mines and any set-back in clearing the pit wall failure at Geita. AngloGold Ashanti is also subject to cost pressures and wage negotiations currently facing the mining industry which could adversely impact the cash costs for 2007.

AngloGold Ashanti has 21 operations in 10 countries around the world. This follows the sale on December 1, 2006 of Bibiani, one of the company's Ghanaian assets, to Central African Gold plc. The transaction was completed on December 28, 2006. The 21 operations include Boddington, a joint venture expansion project with Newmont, which is currently underway in Australia. While these operations are managed on a regional basis, they are reported on country-by-country basis.

The operations and geographical areas in which AngloGold Ashanti currently operates are shown below.

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OPERATIONS AT A GLANCE for the year ended December 31, 2006

	Attributable tonnes treated/milled (Mt)			**Average grade recovered (g/t)**			**Attributable gold production (000oz)**			**Total cash costs ($/oz) (1)**	
	2006	2005	2004	2006	2005	2004	2006	2005	2004	2006	2005	2004
SOUTH AFRICA												
Vaal River												
Great Noligwa	2.4	2.3	2.4	8.08	9.30	10.38	615	693	795	260	264	231
Kopanang	2.0	2.0	2.0	7.01	7.38	7.37	446	482	486	291	277	281
Tau Lekoa	1.5	2.1	2.4	3.76	3.96	3.87	176	265	293			

438
410
370
Surface operations
7.2
5.8
6.1
0.49
0.51
0.60
113
95
119
283
287
250
Moab Khotsong
(1)
0.2 – –
6.35 – – 44 – –
659 – –
West Wits
Mponeng
1.9
1.7
1.7
9.93
9.15
8.14
596
512
438
238
279
322
Savuka
0.4
0.6
0.8
7.68
6.80
6.19
89
126
158
337
430
455
TauTona
2.0
1.6

1.6
10.18
9.62
10.88
474
502
568
270
256
245
ARGENTINA
Cerro Vanguardia (92.5 percent)
0.9
0.9
0.9
7.29
7.70
7.60
215
211
211
223
171
156
AUSTRALIA
Sunrise Dam
4.0
3.6
3.7
3.39
3.68
3.46
465
455
410
333
269
260
BRAZIL
AngloGold Ashanti Brasil Mineraçáo
(2)
1.1 1.3 1.0
7.60 7.27 7.85 242 250 240 207 169 133
Serra Grande (50 percent)
0.4
0.4
0.4
7.51
7.93
7.80

97
96
94
196
158
134
GHANA
Bibiani
(3) (5)
2.1
2.4
1.7
0.55
1.46
1.93
37
115
105
432
305
251
Iduapriem
(3) (5)
3.0 3.2 2.2
1.74 1.71 1.72 167 174 125 413 348 303
Obuasi
(2) (5)
6.2 4.7 2.6
4.39 4.77 3.08 387 391 255 397 345 305
GUINEA
Siguiri (85 percent)
(4) (5)

7.0 5.8 2.6
1.08 1.21 1.10 256 246 83 398 301 443
MALI
Morila (40 percent)
1.7
1.5
1.4
3.88
5.41
4.57
207
262
204
266
191
196
Sadiola (38 percent)
1.8

1.9
2.0
3.22
2.73
2.77
190
168
174
268
265
242
Yatela (40 percent)
(6)
1.3 1.3 1.1
4.12 2.99 3.41 141 98 97 241 263 255
NAMIBIA
Navachab
1.5
1.2
1.3
1.81
2.05
1.59
86
81
66
349
321
348
TANZANIA
Geita
(7)
5.7 6.1 4.8
1.68 3.14 3.74 308 613 570 630 298 250
UNITED STATES OF AMERICA
Cripple Creek & Victor
(6)
21.8
19.2 18.2
0.54 0.62 0.61 283 330 329 248 230 220
ZIMBABWE
Freda-Rebecca
(5) (8)
–
–
0.1
-
–
1.66
–
–

9
–
–
417

Table includes equity accounted joint ventures.
(1) Attributable production at Moab Khotsong yielded 29,862 ounces which was capitalized against pre-production costs.
(2) The yield of AngloGold Ashanti Brasil Mineraçáo and Obuasi represents underground operations.
(3) The yield of Bibiani and Iduapriem represents open-pit operations.
(4) The yield at Siguiri arises from the open-pit operations in 2006 and 2005 and the heap leach operation in 2004.
(5) Interest acquired April 26, 2004 with reporting from May 1, 2004.
(6) The yield at Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed.
(7) 50 percent holding to April 26, 2004 and 100 percent from this date.
(8 Freda-Rebecca was sold effective September 1, 2004.

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SOUTH AFRICA

Location: AngloGold Ashanti's South Africa region includes seven underground operations located in two geographic areas on the Witwatersrand Basin. These are:

- the **Vaal River area**, near Klerksdorp and Orkney, in the North West Province and Free State, where the Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong (which remains under development) mines are located; and
- the **West Wits area**, near Carletonville, straddling the North West Province and Gauteng, where the Mponeng, TauTona and Savuka mines are located.

The group's surface metallurgical reclamation operation, **Ergo**, located near Johannesburg in the province of Gauteng ceased production in 2005, and is currently being closed in terms of environmental legislation, a process that is expected to take some years to complete.

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

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two meters 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 mineralization in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the conglomerates, but increasingly an epigenetic origin theory is being supported. Nonetheless, the most fundamental control to the 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.

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Operating performance: Production declined 5 percent from 2.676 million ounces in 2005 to 2.554 million ounces in
2006, (2004: 2.857 million ounces). Total cash costs improved from $291 per ounce in 2005 to $286 per ounce in 2006, as
a result of a weakening of the rand and cost savings initiatives in the region (2004: $284 per ounce).
Cost savings of $50 million were recorded for the year, primarily as a result of operational efficiencies, improved procurement practices and restructuring of both the Savuka and Tau Lekoa. The restructuring involved the combining of
the management of the mine Savuka with Mponeng and Tau Lekoa with Kopanang and with both mines being optimized
from a production point of view where volumes were reduced to support the cost saving initiatives.
Great Noligwa and Moab Khotsong together produced 1.38 million pounds of uranium oxide in 2006.
Capital expenditure in 2006 amounted to $321 million, 7 percent lower than that of 2005 at $347
(2004: $333 million), with ore reserve development representing 58 percent of this amount, expansion capital representing 21 percent and stay-in-business capital representing 21 percent. 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**

Description: AngloGold Ashanti's Vaal River operations are located in the original Vaal Reefs mining area of the Witwatersrand Basin and comprise four operating mines, Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong. The Vaal River complex also has four gold plants, one uranium plant and one sulphuric acid plant. The Vaal River processing plants include crushers, mills, CIP and electro-winning facilities and are able to treat between 180,000 and 420,000 tonnes of ore per month.
Although the Vaal River operations produce uranium oxide as a by-product of the production of gold, the value is not significant relative to the value of gold produced.
Location: The Vaal River operations are located near the towns of Klerksdorp and Orkney in North West and Free State
Provinces.
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 percent of the reserve tonnage with mining grades between 10 and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive unconformities. Several distinct facies have been identified, each with its unique gold distribution and grade characteristic.
- The VCR has a lower grade than the Vaal Reef, and contains approximately 15 percent of the estimated reserves. The economic portion is mainly 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 SuperGroup and the underlying sediments of the Witwatersrand SuperGroup which creates a distinctive seismic reflector. The VCR is located up to one kilometer above the Vaal Reef.
- The "C" Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 meters above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to 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.

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Vaal River – Summary of metallurgical operations

West GP	**East Gold Acid and Float Plant**	**Noligwa GP**	**Mispah GP**	**Kopanang GP**
Gold plants				
Capacity (000 tonnes/month)	180	309	263	140	420
Technology	ROM mills (2), ball mill, cyanide, CIL, elution, electro-winning	cyanide, Pumpcell, elution, electro-winning	ROM (2), cyanide, CIP, elution, electro-winning	ROM, Cyanide, CIP, elution, electro-winning	ROM mills (6), cyanide, CIP, elution, electro-winning
Uranium plants					
Capacity (000 tonnes/month)	–	–	263		
Pyrite flotation plants					
Capacity (000 tonnes/month)	–	250	145		
Sulphuric acid plants					
Production (tonnes/month)					

–
7,500
–
Operating and production data for Vaal River operations
Great Noligwa
Kopanang
Tau Lekoa
Moab Khotsong
(3)
2006
Pay limit (oz/t)
0.28
0.32
0.14
1.50
Pay limit (g/t)
9.57
10.92
4.85
51.44
Recovered grade (oz/t)
0.236
0.204
0.110
0.185
Recovered grade (g/t)
8.08
7.01
3.76
6.35
Gold production (000 oz)
615
446
176
44
Total cash costs ($/oz)
(1)
260
291
438
659
Total production costs ($/oz)
(1)
374
377
693
1,136
Capital expenditure ($ million)
49
41
11

83
Employees
(2)
5,883
5,360
2,514
1,539
Outside contractors
(2)
696
455
379
1,365
2005
Pay limit (oz/t)
0.39
0.39
0.19
-
Pay limit (g/t)
13.24
13.25
6.23
-
Recovered grade (oz/t)
0.271
0.215
0.116
-
Recovered grade (g/t)
9.30
7.38
3.96
-
Gold production (000 oz)
693
482
265
-
Total cash costs ($/oz)
(1)
264
277
410
-
Total production costs ($/oz)
(1)
354
363
555
-

Capital expenditure ($ million)
43
41
15
94
Employees
(2)
5,704
5,506
3,021
1,320
Outside contractors
(2)
1,152
524
1,084
1,201
2004
Pay limit (oz/t)
0.48
0.43
0.20
-
Pay limit (g/t)
14.36
14.52
6.81
-
Recovered grade (oz/t)
0.303
0.215
0.113
-
Recovered grade (g/t)
10.38
7.37
3.87
-
Gold production (000 oz)
795
486
293
-
Total cash costs ($/oz)
(1)
231
281
370
-
Total production costs ($/oz)
(1)

268
325
444
-
Capital expenditure ($ million)
36
38
25
80
Employees
(2)
6,192
5,758
3,398
1,066
Outside contractors
(2)
908
554
854
808
(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(2)
Average for the year.
(3)
Commercial production commenced on January 1, 2006.

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Operating performance:

Great Noligwa: In 2006, production declined by 11 percent to 615,000 ounces from 693,000 produced in 2005 (2004: 795,000) due primarily to a 13 percent yield decline, from 9.3g/t in 2005 to 8.08g/t in 2006 (2004: 10.38g/t). Total cash costs rose by 5 percent in rand terms to R56,390 per kilogram from R53,868 per kilogram in 2005, due to lower gold production (2004: R47,820 per kilogram). The continued focus on cost savings helped to limit the effect of reduced production on the operation's costs. In dollar terms, total cash costs improved by 1 percent to $260 per ounce in 2006 from $264 per ounce in 2005 (2004: $231 per ounce). Capital expenditure at $49 million was 14 percent higher than the $43 million spent in 2005 (2004: $36 million), mainly as a consequence of the acceleration of a plan to upgrade the operation's uranium plant.

Kopanang: In 2006, production declined by 7 percent to 446,000 ounces from 482,000 ounces produced in 2005 (2004: 486,000 ounces) as a result of a lower mine call factor and a 5 percent decline in yield from 7.38g/t in 2005 to 7.01g/t in 2006 (2004: 7.37g/t). Consequently, total cash costs increased by 6 percent to $291 per ounce in 2006, from $277 per ounce in 2005 (2004: $281 per ounce). Total cash costs, in rand terms, rose by 11 percent to R62,908 per kilogram from R56,427 per kilogram in 2005. Capital expenditure of $41 million was unchanged from that of 2005 (2004: $38 million).

Tau Lekoa: Tau Lekoa was downscaled in 2006 in order to return the operation to profitability in a rising gold price environment. As a result, production in 2006 declined by 34 percent from 265,000 ounces produced in 2005 to 176,000 ounces produced in 2006 (2004: 293,000 ounces).

Consequently, total cash costs increased by 7 percent from $410 per ounce in 2005 to $438 per ounce in 2006 (2004: $370 per ounce) and in rand terms, total cash costs, increased by 12 percent to R94,365 per kilogram in 2006 from R83,885 per kilogram in 2005 (2004: R76,428 per kilogram). Capital expenditure at $11 million declined by 27 percent on 2005's spend of $15 million (2004: $25 million).

Moab Khotsong commenced 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. In 2006, production was 44,000 ounces and total cash costs were $659 per ounce or R142,364 per kilogram. Capital expenditure of $83 million in 2006 was 12 percent lower than the spend in 2005 of $94 million (2004: $80 million).

Growth prospects: In 2007, production at **Moab Khotsong** is expected to increase to some 80,000 ounces and total cash costs should decline accordingly as this operation builds up to full production, likely in 2012.

•

West Wits operations

Description: The West Wits operations comprise Mponeng, Savuka and TauTona mines. Savuka and TauTona share a processing plant, whereas Mponeng has its own individual processing plant. These plants comprise crushers, mills, CIP and zinc precipitation and smelting facilities.

Location: The West Wits operations are located near the town of Carletonville in North West Province, south-west of Johannesburg, straddling the boundary with Gauteng.

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 to 900 meters, owing to unconformity in the VCR. TauTona and Savuka exploit both reefs whereas Mponeng only mines the VCR. The structure is relatively simple; faults of greater than 70 meters are rare.

The CLR consists of one or more conglomerate units and varies from several centimeters to more than three meters in

thickness. Regionally, the VCR dips at approximately 21 degrees but may vary between 5 and 50 degrees, 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 centimeters to more than three meters in thickness.

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West Wits – Summary of metallurgical operations

Mponeng Savuka

Gold plants

Capacity (000 tonnes/month)

160

280

Technology

ROM mills (3),
cyanide,
CIL,
elution,
electro-winning

crushers,
tube mills,
ball mills,
cyanide,
Pumpcell

Operating and production data for West Wits operations

Mponeng

TauTona

Savuka

2006

Pay limit (oz/t)

0.23

0.53

0.31

Pay limit (g/t)

7.74

18.25

10.75

Recovered grade (oz/t)

0.290

0.297

0.224

Recovered grade (g/t)

9.93

10.18

7.68

Gold production (000 oz)

596

474

89

Total cash costs ($/oz)
(1)

238 270 337

Total production costs ($/oz)
(1)

374 411 359

Capital expenditure ($ million)

48

70
2
Employees
(2)
4,760
4,164
975
Outside contractors
(2)
524
1,002
65
2005
Pay limit (oz/t)
0.34
0.72
0.45
Pay limit (g/t)
11.53
24.43
15.18
Recovered grade (oz/t)
0.267
0.281
0.198
Recovered grade (g/t)
9.15
9.62
6.80
Gold production (000 oz)
512
502
126
Total cash costs ($/oz)
(1)
279 256 430
Total production costs ($/oz)
(1)
383 388 524
Capital expenditure ($ million)
47
74
6
Employees
(2)
4,897 4,459 2,178
Outside contractors
(2)
677 996 147
2004
Pay limit (oz/t)

0.41
0.73
0.44
Pay limit (g/t)
13.71
24.47
14.89
Recovered grade (oz/t)
0.237
0.317
0.181
Recovered grade (g/t)
8.14
10.88
6.19
Gold production (000 oz)
438
568
158
Total cash costs ($/oz)
(1)
322 245 455
Total production costs ($/oz)
(1)
393 319 639
Capital expenditure ($ million)
62
65
8
Employees
(2)
5,164 4,673 3,001
Outside contractors
(2)
712 825 228

(1)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:

Operating results – Total cash costs and total production costs".

(2)

Average for the year.

47

Operating performance:

Mponeng: During 2006, yield rose to 9.93g/t from 9.15g/t in 2005 (2004: 8.14g/t). As a result of the higher volumes and improved yield, gold production increased by 16 percent from 512,000 ounces in 2005 to 596,000 ounces in 2006 (2004: 438,000 ounces). Consequently, total cash costs declined by 15 percent to $238 per ounce from $279 per ounce in 2005 (2004: $322 per ounce). In local currency terms, total cash costs were at R51,666 per kilogram, 9 percent down on 2005 total cash costs of R57,084 per kilogram as a result of the higher volumes and improved yield aided by the benefit of the cost savings initiatives undertaken in the beginning of the year. Capital expenditure increased marginally from $47 million in 2005 to $48 million in 2006 (2004: $62 million).

TauTona: During 2006, production declined by 6 percent to 474,000 ounces from 502,000 ounces produced in 2005, due to planned lower volumes mined and seismicity concerns in the first and fourth quarters of 2006 (2004: 568,000 ounces).

Total cash costs rose by 5 percent to $270 per ounce from $256 per ounce in 2005 (2004: $245 per ounce). In rand terms, total cash costs increased by 12 percent to R58,631 per kilogram. Capital expenditure at $70 million was 5 percent lower than the spend in 2005 of $74 million (2004: $65 million).

Savuka: While it had been reported in 2005 that Savuka had entered an accelerated closure mode, the strength of the gold price in 2006 instead resulted in the implementation of a restructuring plan and the operation's life has been extended at a lower production rate.

Management of Savuka is now included under that of the neighboring Mponeng mine. Production for 2006 totaled 89,000 ounces which, although 29 percent less than the 126,000 ounces produced in 2005, was 535 percent more than had been planned (2004: 158,000). The overall grade for the year increased from 6.80g/t achieved in 2005 to 7.68g/t achieved in 2006 (2004: 6.19g/t).

In local currency, total cash costs decreased 16 percent from R87,200 per kilogram in 2005, to R73,055 per kilogram in 2006, while in dollar terms, cash costs were down 22 percent to $337 per ounce from $430 per ounce in 2005 (2004: $455 per ounce). Capital expenditure for 2006 was minimal at $2 million compared with 2005's capital expenditure of $6 million (2004: $8 million).

Growth prospects:

Mponeng VCR below 120 project: This project consists of four parallel declines 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 is expected to commence in 2013, is expected to produce 2.5 million ounces of gold over a period of ten years, at a capital cost of $252 million, and is expected to extend the life of the mine by approximately eight years. Construction will 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 is expected to commence 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 commenced 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.

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 commenced 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.

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ARGENTINA

AngloGold Ashanti has a single operation in Argentina, the **Cerro Vanguardia** mine. This operation was acquired as part of the Minorco transaction effective March 31, 1999, at which time AngloGold held a 46.25 percent stake. AngloGold Ashanti has a 92.5 percent interest in the Cerro Vanguardia mine following the acquisition of an additional 46.25 percent in July 2002, while the Santa Cruz Province has a 7.5 percent interest.

Description: Cerro Vanguardia consists of multiple small open-pits with high stripping ratios. The orebodies comprise a series of hydrothermal vein deposits containing vast quantities of silver, which is produced as a by-product.

Throughput has increased steadily since the first gold was poured in September 1998, from an original design capability of 1,800 tpd to the present level of 2,700 tpd. Cerro Vanguardia's lease area is 514 square kilometers.

Location: The Cerro Vanguardia operation is located to the north-west of Puerto San Julian in the Province of Santa Cruz, Argentina. The company owns the right to exploit the deposit for 40 years based on the Usufruct Agreement signed in December 1996. The operation, which was constructed at a total cost of $270 million, was commissioned in the fourth quarter of 1998.

Geology: The oldest rocks in this part of Patagonia are metamorphics of the 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 kilometers. 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 mineralization at Cerro Vanguardia occurs within a vertical range of about 150 to 200 meters 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 degrees to the east; while the other set
strikes about N75W and the veins dip 60 to 80 degrees to the south.

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The veins 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 oxidized to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralized and appear to have been cut by a sequence of north-east-trending faults that have southerly movement with no appreciable lateral displacement.

Cerro Vanguardia – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)

82

Technology

Crushers, scrubber, ball mill, CCD, leach in cyanide, CIL, elution, zinc-precipitation, electro-winning

Operating and production data for 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 (000 oz) 100 percent		
232		
228		
229		
Gold production (000 oz) 92.50 percent		
215		
211		
211		
Total cash costs ($/oz)		
(1)		
223		
171		
156		
Total production costs ($/oz)		

(1)
372
270
284
Capital expenditure ($ million) 100 percent
19
15
13
Capital expenditure ($ million) 92.50 percent
18
14
12
Employees
(2)
623 487 389
Outside contractors
(2)
283
459
402
(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".
(2)
Average for the year.

Operating performance: At **Cerro Vanguardia** attributable gold production in 2006 increased by 2 percent to 215,000 ounces from 211,000 ounce produced in 2005 (2004: 211,000 ounces). While the yield varied over the course of the year as anticipated, the average grade in 2006 was 7.29g/t compared with an average grade of 7.7g/t in 2005 (2004: 7.60g/t). Ore throughput increased 8 percent to 1 million tonnes in 2006. Total cash costs rose by 30 percent to $223 per ounce from $171 per ounce in 2005 (2004: $156 per ounce), mainly as a result of higher local inflation and increases in both commodity prices and mine maintenance costs. The higher mine maintenance costs were associated with a programme undertaken in 2006 to improve the availability of mine equipment.

Capital expenditure for the year amounted to $18 million, 29 percent higher than the $14 million spent in 2005 (2004: $12 million). The increase in expenditure was mainly due to the purchase of new and replacement mine equipment and expenditures related to the heap leaching project currently underway.

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 meters of reverse circulation drilling and 14,000 meters of diamond drilling 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 study to confirm the viability of the heap-leach pad was also initiated in 2006 and is ongoing.

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AUSTRALIA

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 percent owned by AngloGold Ashanti, while the Boddington project, which is currently under construction and in which AngloGold Ashanti holds 33.33 percent equity, is a joint venture with Newmont
Mining Corporation.

Australia – Summary of metallurgical operations

Sunrise Dam

Boddington

Gold plants

Under construction

Capacity (000 tonnes/month)

300

3,000

Technology

crushers,
ball mill,
gravity concentrate,
CIL,
elution,
electro-winning

crushers,
HBDI, ball mill, floatation gravity
concentrate, CIL, elution, electro-winning

- **Sunrise Dam**

Description: Sunrise Dam comprises a large open-pit and an underground project. Mining is carried out by contractors
and ore is treated in a conventional gravity and leach process plant.

Location: Sunrise Dam gold mine lies some 220 kilometers north-northeast of Kalgoorlie and 55 kilometers south of Laverton in Western Australia.

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 brittleductile low strain shear zones (for example, Western Shear). Host
rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

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Operating and production data for 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)		
(2)		
0.099		
0.107		
0.110		
Recovered grade (g/t)		
(2)		
3.39		
3.68		
3.46		
Gold production (000 oz)		
465		
455		
410		
Total cash costs ($/oz)		
(1)		
333		
269		
260		
Total production costs ($/oz)		
(1)		
406		
367		
337		
Capital expenditure ($ million)		
24		
34		
25		
Employees		
(3)		
99	95	88
Outside contractors		
(3)		
283		
280		
268		

(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating
results – Total cash costs and total production costs".
(2) Open-pit operations
(3)
Average for the year.

Operating performance: Production increased slightly in 2006 to 465,000 ounces from 455,000 ounces in 2005 (2004: 410,000 ounces) primarily due to 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, 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 optimization. Recovered grade from open-pit operations declined marginally to 3.39g/t compared with 3.68g/t recovered in 2005 (2004: 3.46g/t). Total cash costs increased to $333 per ounce from $269 per ounce in 2005 primarily as a result of increased diesel fuel prices and mining contractor rates (2004: $260 per ounce).
Progress continued on the Sunrise Dam underground development. Capital expenditure amounted to $24 million compared with $34 million in 2005 (2004: $25 million)
Growth prospects: The underground mining project involves the development of two declines and 125,000 meters of drilling from surface and 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 drilling.
• Boddington (attributable 33.33 percent)
Description*:* 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 of 2006, Newmont holds a 66.66 percent share in the project and AngloGold
Ashanti a 33.33 percent share.
Location: The operation is located approximately 100 kilometers south-east of Perth.
Geology*:* Boddington is located in the Saddleback Greenstone Belt, a northwest-trending fault-bounded silver of greenstones about 50 kilometers long and eight kilometers wide within the Archaean Yilgarn Craton. The Boddington resource is located within a six kilometer 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 centered on a composite
diorite stock with five recognizable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.

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Operating and production data for Boddington

2006	2005	2004
Pay limit (oz/t)		
–	–	–
Pay limit (g/t)		
–	–	–
Recovered grade (oz/t)		
–	–	–
Recovered grade (g/t)		
–	–	–
Gold production (000 oz) 100 percent		
–		
–		
–		
Gold production (000 oz) 33.33 percent		
–		
–		
–		
Total cash costs ($/oz) (1)		
–		
–		
–		
Total production costs ($/oz) (1)		
–		
–		
–		
Capital expenditure ($ million) 100 percent		
180		
12		
8		
Capital expenditure ($ million) 33.33 percent		
60		
4		
3		
Employees (2)		
12	18	12
Outside contractors (2)		
85	48	33

(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2)
Average for the year.

Operating performance and Growth prospects: In March 2006 the Boddington expansion project was approved. On a

100 percent 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 totaling 4.7 million ounces of gold.
Capital expenditure for 2007 is expected to be approximately $312 million for the project. At the end of 2006, engineering
was approximately 42 percent complete, and site construction had begun. The project is on schedule to start up early 2009
.

BRAZIL

AngloGold Ashanti's operations in Brazil were acquired as part of the Minorco transaction effective March 31, 1999 and
comprise the wholly-owned AngloGold Ashanti Brasil Mineração and a 50 percent interest in Serra Grande. In 2006, these
mines together produced 339,000 attributable ounces of gold at total cash costs of $207 per ounce and $196 per ounce, respectively.

Brazil – Summary of metallurgical operations

AngloGold
Ashanti
Mineração
Serra
Grande
Cuiabá
Raposos
Gold plants
Capacity (000 tonnes/month)
70
24
66
Technology
crushers,
ball mill,
gravity concentration,
flotation,
roaster;
acid plant,
calcine leach,
Gold CCD,
CIP,
elution,
zinc-precipitation,
refinery.
crushers,
ball mill,
gravity concentration,
cyanideleach,
CIP,
zinc-precipitation
refinery

crushers,
ball mill,
gravity concentration,
cyanide,
rotary filters,
zinc-precipitation,

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AngloGold Ashanti Brasil Mineração

Description: Since the closing of the Mina Velha underground mine in 2003 and the Engenho D'Água open-pit in 2004, ore is now sourced from the Cuiabá underground mine, (this ore is treated at the Queiroz plant) and from the Córrego do Sítio heap-leach operation. In January 2005, the board approved a major expansion at Cuiabá.

Location: AngloGold Ashanti Brasil Mineração has mining rights over 30,698 hectares in the state of Minas Gerais, in south-eastern Brazil. 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.

Geology: The area in which AngloGold Ashanti Brasil 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 mineralization 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 at Sabara Municipality, has gold mineralization 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 mineralization with a common association between large-scale shear zones and their associated structures. Where BIF is mineralized 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 mineralization structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at AngloGold Ashanti Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralization is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulphide mineralization consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to occur as a late-stage fracture fill and is not associated with gold mineralization. Wallrock alteration is typically carbonate, potassic and silicic.

Operating performance: Production declined at AngloGold Ashanti Brasil Mineração in 2006 to 242,000 ounces from
250,000 ounces in 2005, 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 increased by 22 percent from $169 per ounce in 2005 to
$207 per ounce in 2006 (2004: $133 per ounce) due to inflation and the strong real.

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Operating and production data for 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)		
(1)		
0.222		
0.212		
0.229		
Recovered grade (g/t)		
(1)		
7.60		
7.27		
7.85		
Gold production (000 oz)		
242		
250		
240		
Total cash costs ($/oz)		
(2)		
207		
169		
133		
Total production costs ($/oz)		
(2)		
301		
260		
200		
Capital expenditure ($ million)		
168		
71		
32		
Employees		
(3)		
1,546		
1,363		
1,222		
Outside contractors		
(3)		
2,065		
1,234		
1,021		

(1)

Recovered grade represents underground operations

(2)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(3)
Average for the year.

Growth prospects:

Cuiabá expansion project: This project seeks to increase production at the Cuiabá mine from 830,000 tonnes per annum to 1.3 million tonnes 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 is expected to involve the deepening of the mine from 11 level to 21 level and is expected to result in an annual average production increase from 190,000 ounces to 260,000 ounces from the beginning of 2007; in this first operational year of the expansion, production is expected to reach around 300,000 ounces. The project is anticipated to add six years to the life of mine.

Corrego do Sitio underground sulphides project: This relates to the potential sulphide ore of the Córrego do Sítio underground orebodies, which consist of Cachorro Bravo, Laranjeira and Carvoaria. This project is expected to produce 1.4 million ounces of gold over 14 years from 6.8 million tonnes of milled ore. Development of a ramp and the exposure of the Cachorro Bravo orebody are underway, as is the development of drives to access the Laranjeira and Carvoaria orebodies.

Serra Grande (attributable 50 percent)

Description: Serra Grande is co-owned with Kinross Gold Corporation. In terms of the Serra Grande agreement, AngloGold Ashanti manages the operation and has the right to access a maximum of 50 percent of the earnings accrued and dividends paid by 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.

Location: The Serra Grande operations are located 5 kilometers from the city of Crixás in the north-western areas of the Goiás State in central Brazil. Serra Grande controls, or has an interest in, approximately 21,096 hectares in and around the Crixás mining district. .

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antes Formations of the Archaean Pilar de Goia's Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

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The stratigraphy of the belt is dominated by basics and ultrabasics 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 mineralization is associated
with massive sulphides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

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 Crixás greenstone belt comprises a series of Ardhaean 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 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 mineralization within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralizing fluids probably migrated during this event, with similar south-south-west
to north-north-east migration, and focusing on bedding slip during folding. Gold mineralization became minor and dispersed to the north and east along the formal thrust flat zone. Concentrations of gold along the case of quartz vein may
be due to the damming of fluids migrating upward along layering.

Operating and production data for 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 (000 oz) 100 percent		
194		
192		
187		

Gold production (000 oz) 50 percent
97
96
94
Total cash costs ($/oz)
(1)
196
158
134
Total production costs ($/oz)
(1)
278
229
223
Capital expenditure ($ million) 100 percent
17
13
7
Capital expenditure ($ million) 50 percent
8
7
4
Employees
(2)
609 566 514
Outside contractors
(2)
208
209
196

(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2)
Average for the year.

Operating performance: Attributable production at Serra Grande rose from 96,000 ounces in 2005 to 97,000 ounces in 2006 (2004: 94,000 ounces) The steady appreciation of the Brazilian real, combined with lower grades, resulted in a 24 percent total cash cost increase to $196 per ounce from $158 per ounce in 2005 (2004: $134 per ounce) in spite of stable production.

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, with production expected to begin in mid-2007. Exploration campaigns at the nearby Palmeiras orebody are underway, with results justifying the construction of an exploratory ramp and an underground conceptual study, which is also expected to begin in mid-2007.

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GHANA

AngloGold Ashanti's operations in Ghana together produced 592,000 ounces of attributable gold in 2006, at a total cash cost of $404 per ounce.

Description: AngloGold Ashanti has two operations in Ghana: the Obuasi mine (which comprises both surface and underground operations) and the Iduapriem mine (open-pit). The Bibiani mine (open-pit with underground development) was sold effective December 28, 2006.

Obuasi

Description: Obuasi 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 open-pit ore and stockpiles, of which there are adequate tonnages to keep the plant operational until 2008.

Location: The Obuasi mine is located in the Ashanti region in the south of Ghana.

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

Two main ore types are mined:

· quartz veins which consist 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 occasionally are visible to the naked eye. This ore type is generally non-refractory; and

· sulphide ore which is characterized 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.

Ghana – Summary of metallurgical operations

Obuasi

Bibiani

Iduapriem

Sulphide

Treatment

Plant

Tailings

Treatment Plant

Oxide

Treatment Plant

Gold plants	
Capacity (000 tonnes/month)	
200	200
150	
225	
375	
Technology	
BIOX process, cyanide leaching, CIL, electro-winning	
CIL, ball mills, cyanide leaching, electro-winning	
CIL, mill, cyanide leaching, electro-winning	
CIL, Crushing, SAG milling, ball milling, cyanide leach, CIP, elution, Electro-winning	

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Operating and production data for Obuasi

2006	**2005** *(1)*	**2004**
Pay limit (oz/t) *(2)*	0.229	0.177	0.188
Pay limit (g/t)	7.13	6.06	6.43
Recovered grade (oz/t) *(2)*	0.128	0.139	0.154
Recovered grade (g/t)	4.39	4.77	5.27
Gold production (000 oz)	387	391	255
Total cash costs ($/oz) (3)	397	345	305
Total production costs ($/oz) (3)	638	532	443
Capital expenditure ($ million)	91	78	32
Employees (4)	5,629	5,852	6,029
Outside contractors (4)	2,210	2,443	718

(1)
For the eight months from May.
(2)
Pay limits and recovered grade refer to underground ore resources
(3)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(4)
Average for the period.

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 the production in 2005 of 391,000 ounces (2004: 255,000 ounces). 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 (2004: 5.27g/t), pushing up total cash costs by 15 percent to $397 per ounce from $345 per ounce in 2005 (2004: $305 per ounce).

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

Bibiani

Bibiani in Ghana produced less than 1 percent of AngloGold Ashanti's production in 2006. This tailings only operation was sold to Central African Gold plc effective December 28, 2006. AngloGold Ashanti expects to replace Bibiani's production from its other Ghanaian operations.

Operating and production data for Bibiani

	(5) **2006**	**2005** *(1)*	**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) (2)	0.016	0.042	0.056
Recovered grade (g/t) (2)	0.55	1.55	1.93
Gold production (000 oz)	37	115	105
Total cash costs ($/oz) (3)	432	305	251
Total production costs ($/oz) (3)	594	522	400
Capital expenditure ($ million)	-	7	7
Employees (4)	211	462	479

Outside contractors
(4)
142 140 392
(1)
For the eight months from May 2004.
(2)
Recovered grade represents open pit operations in 2004 and 2005 and surface and dump reclamation in 2006.
(3)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(4)
Average for the period.
(5)
For the eleven months from January 2006 to November 2006.

Iduapriem (attributable 85 percent)

Description: AngloGold Ashanti has an 80 percent interest in the Iduapriem gold mine (the remaining 20 percent is owned
by the International Finance Corporation) and a 90 percent interest in the Teberebie gold mine (the government of Ghana
has the remaining 10 percent interest in Teberebie). The combined AngloGold Ashanti interest is 85 percent. The Iduapriem and Teberebie properties are adjacent to each other and are part of the Tarkwaian goldfields.

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Location: Iduapriem mine is located in the western region of Ghana, some 70 kilometers north of the coastal city of Takoradi, and 10 kilometers south-west of Tarkwa.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is 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 and production data for Iduapriem

2006	**2005**	*(1)* **2004**
Pay limit (oz/t)		
0.05	0.023	0.022
Pay limit (g/t)		
1.60	0.72	0.76
Recovered grade (oz/t)		
(2)		
0.051		
0.050		
0.050		
Recovered grade (g/t)		
(2)		
1.74	1.71	1.72
Gold production (000 oz) 100 percent		
196		
205		
147		
Gold production (000 oz) 85 percent		
167		
174		
125		
Total cash costs ($/oz)		
(3)		
413	348	303
Total production costs ($/oz)		
(3)		
544	477	448
Capital expenditure ($ million) 100 percent		
6		
5		
4		
Capital expenditure ($ million) 85 percent		
5		
4		
3		
Employees		
(4)		
668	698	709
Outside contractors		
(4)		

583 585 597

(1)
For the eight months from May 2004.
(2)
Recovered grade represents open pit operations.
(3)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(4)
Average for the period.

Operating performance: In 2006, attributable gold production at Iduapriem decreased by 4 percent to 167,000 ounces from the 174,000 ounces produced during 2005 (May to December 2004: 125,000 ounces). Recovered grade increased to 1.74g/t in 2006 from 1.71g/t in 2005 (2004: 1.72g/t). The decline in production was as a result of a series of mill and crusher breakdowns that affected the operation during the first two quarters of the year. Total cash costs increased by 19 percent from $348 per ounce in 2005 to $413 per ounce in 2006 (2004: $303 per ounce) due to the decline in production and inflation-drive increases in operation costs.

Attributable capital expenditure at $5 million was marginally higher than the $4 million spend in 2005 (2004: $3 million) and was spent mainly on the commencement of a plant expansion project and general stay-in-business expenditure.

Growth prospects: A plant expansion project to increase treatment capacity from 3.7 to 4.3 million tonnes a year began in the fourth quarter of 2006. The expansion is expected to be commissioned in the third quarter of 2008 at a capital cost of $48 million.

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

GUINEA

The Siguiri mine, an open pit operation, is AngloGold Ashanti's only operation in the Republic of Guinea in West Africa. In 2006, the mine produced 256,000 attributable ounces of gold at a total cash cost of $398 per ounce.

Siguiri (attributable 85 percent)

Description: AngloGold Ashanti has an 85 percent interest in the Siguiri mine, with the balance of 15 percent being held by the government of Guinea.

Location: The Siguiri gold mine is located in the Siguiri District in the north-east of the Republic of Guinea, West Africa, approximately 850 kilometers from the capital city of Conakry. The nearest major town is Siguiri (approximately 50,000 inhabitants), located on the banks of the Niger River.

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

- laterite or CAP mineralization 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 mineralization hosted in meta-sediments with the better mineralization associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones

The mineralized rocks have been deeply weathered to below 100 meters in places to form saprolite or SAP mineralization. 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.

Siguiri – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)
800

Technology
mineral sizing, scrubbing, ball milling, CIP, elution, electro-winning

Operating and production data for Siguiri

2006	**2005** *(1)*	**2004**
Pay limit (oz/t)		
0.03	0.017	0.017
Pay limit (g/t)		
0.94	0.55	0.59
Recovered grade (oz/t) (2)		
0.032		
0.035		
0.032		
Recovered grade (g/t) (2)		
1.08	1.21	1.10
Gold production (000 oz) – 100 percent		
301		

289
98
Gold production (000 oz) – 85 percent
256
246
83
Total cash costs ($/oz)
(3)
398 301 443
Total production costs ($/oz)
(3)
593 451 578
Capital expenditure ($ million) – 100 percent
19
36
57
Capital expenditure ($ million) – 85 percent
14
31
48
Employees
(4)
1,541 1,170 1,194
Outside contractors
(4)
1,167
808
1,412
(1)
For the eight months from May 2004.
(2)
Recovered grade represents heap leach operations in 2004 and open pit operations in 2005 and 2006
(3)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(4)
Average for the period.

Operating performance: Production at Siguiri rose by 4 percent from 246,000 ounces in 2005 to 256,000 ounces in 2006 after the resolution of the ball mill problems in the first quarter of 2006 (May to December 2004: 83,000 ounces).

Recovered grade decreased from 1.21g/t in 2005 to 1.08g/t in 2006 (2004: 1.10g/t).

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Total cash costs increased from $301 per ounce in 2005 to $398 per ounce (2004: $443 per ounce) due to maintenance shut-downs and post-commissioning plant modifications, as well as rising fuel costs and higher royalty payments as a result of the increased gold price.

Growth prospects: The new CIP project 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. There is still considerable exploration potential adjacent to the existing mine infrastructure.

MALI

AngloGold Ashanti has interests in three operations in Mali in partnership with other parties. These operations are Sadiola, Yatela and Morila, which are all operated by AngloGold Ashanti.

In 2006, the Malian operations produced 538,000 ounces of attributable gold production at a total cash cost of $268 per ounce (Sadiola), $241 per ounce (Yatela), and $266 per ounce (Morila).

Sadiola (attributable 38 percent)

Description*:* AngloGold has a 38 percent interest in, and manages, the Sadiola mine within the Sadiola exploitation area in western Mali. The joint venture partners are IAMGOLD, a Canadian listed company (38 percent), the government of Mali (18 percent), and the International Finance Corporation (IFC) (6 percent).

Location: The mine is situated 77 kilometers 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 which host the mineralization are marbles and greywackes which have been intensely weathered to a maximum depth of 200 meters. A series of north-south trending faults occur that are the feeders to the Sadiola mineralization. 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 mineralization, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally consists of two zones, an upper oxidized cap and an underlying sulphide zone. From 1996 until 2002, shallow saprolite oxide ore from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulphide ore has been mined and in future will progressively replace the depleting oxide reserves.

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Mali – Summary of metallurgical operations

Sadiola

Yatela

Morila

Gold plants

Capacity (000 tonnes/month)

435

250

350

Technology

mineral
sizing,
SAG milling,
ball milling,
cyanide leach,
CIP,
elution,
electro-winning

crushing,
agglomeration,
heap-leaching,
carbon adsorption (CIS)

crushing,
SAG milling,
ball milling,
gravity concentration,
cyanide leach,
CIP.
elution,
electro-winning

Operating and production data for 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 (000 oz) 100 percent		
500		
442		
459		
Gold production (000 oz) 38 percent		
190		

168
174
Total cash costs ($/oz)
(1)
268 265 242
Total production costs ($/oz)
(1)
363 440 448
Capital expenditure ($ million) 100 percent
11
18
16
Capital expenditure ($ million) 38 percent
4
7
6
Employees
(2)
589 584 550
Outside contractors
(2)
705 661 609

(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(2)
Average for the year.

Operating performance: In 2006 attributable production at Sadiola increased by 13 percent to 190,000 ounces from 168,000 ounces in 2005 (2004: 174,000 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. The yield increased from 2.73g/t recovered in 2005 to 3.22g/t recovered in 2006
(2004: 2.77g/t). Total cash costs rose by 1 percent to $268 per ounce in 2006 from $265 per ounce in 2005, mainly due to
higher royalties arising from the increased gold price (2004: $242 per ounce). Capital expenditure decreased by 43 percent from $7 million in 2005 to $4 million in 2006 (2004: $6 million). The main areas of expenditure were additional
fleet mobilization charges, brownfields exploration and mining contract renewal costs.

Growth prospects: A recently completed study showed that the hard sulphide ore below the current mining horizon ("deep sulphides") can be mined economically at proven metallurgical recoveries. Additional test work is being conducted
to enhance recoveries.

Yatela (attributable 40 percent)

Description: The Yatela mine is owned by Société d'Exploitation des Mines d'Or de Yatela S.A., in which AngloGold Ashanti and IAMGOLD each hold an effective 40 percent interest, with the government of Mali holding 20 percent.

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

Geology: Yatela mineralization occurs as a keel-shaped body in Birimian metacarbonates. The ‘keel’ is centered on a fault which was the feeder for the original mesothermal mineralization, with an associated weakly mineralized diorite intrusion. Mineralization 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.

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Operating and production data for Yatela

2006	2005	2004
Pay limit (oz/t)		
0.06	0.05	0.06
Pay limit (g/t)		
1.79	1.66	1.96
Stacked grade (oz/t)		
0.120		
0.087		
0.099		
Stacked grade (g/t)		
4.12		
2.99		
3.41		
Gold production (000 oz) 100 percent		
352		
246		
242		
Gold production (000 oz) 40 percent		
141		
98		
97		
Total cash costs ($/oz)		
(1)		
241		
263		
255		
Total production costs ($/oz)		
(1)		
326		
347		
320		
Capital expenditure ($ million) 100 percent		
3		
5		
7		
Capital expenditure ($ million) 40 percent		
1		
2		
3		
Employees		
(2)		
203	210	208
Outside contractors		
(2)		
675		
700		
825		

(1)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating
results – Total cash costs and total production costs".
(2)
Average for the year.

Operating performance: In 2006, attributable production at Yatela rose by 44 percent to 141,000 ounces from 98,000 ounces in 2005 (2004: 97,000 ounces) due to a 38 percent increase in grade, from 2.99g/t in 2005 to 4.12g/t in 2006 (2004: 3.41g/t). Total cash costs declined by 8 percent to $241 per ounce from $263 per ounce in 2005 (2004: $255 per ounce) due a favorable grade which was partially offset by higher operating costs as a result of a change
in the beginning of the year from top-lift stacking of the heap-leach pad to bottom-lift stacking, which necessitated increased cement consumption.

Capital expenditure of $1 million was 50 percent lower than the $2 million spent in 2005 (2004: $3 million) and was incurred mainly on the construction of an additional leach pad.

Growth prospects: The potential for a small amount of sulphide ore below the existing Alamoutala deposit to be treated
at Sadiola is being investigated.

Morila (attributable 40 percent)

Description: AngloGold Ashanti and Randgold Resources Limited each hold an effective 40 percent interest in the Morila
Joint Venture, with the other 20 percent held by the Malian government. Under the joint venture agreement, AngloGold
Ashanti is the operator of the mine.

Location: This mine is situated some 180 kilometers, south-east of Bamako, the capital city of Mali.

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

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Operating and production data for 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		
4.57		
Gold production (000 oz) 100 percent		
517		
655		
510		
Gold production (000 oz) 40 percent		
207		
262		
204		
Total cash costs ($/oz)		
(1)		
266	191	196
Total production costs ($/oz)		
(1)		
367	298	270
Capital expenditure ($ million) 100 percent		
3		
5		
5		
Capital expenditure ($ million) 40 percent		
1		
2		
2		
Employees		
(2)		
500	478	479
Outside contractors		
(2)		
1,075	705	919

(1)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2)

Average for the year.

Operating performance: Gold production at Morila declined from 262,000 attributable ounces in 2005, to 207,000 attributable ounces in 2006 (2004: 204,000 attributable ounces). This was as a result of a general decrease in

grade to 3.88g/t from 5.41g/t achieved in 2005 (2004: 4.57g/t), together with a major mill re-lining in the second quarter,
that negatively affected tonnage throughput. Consequently, total cash costs increased by 39 percent from $191 per ounce
in 2005 to $266 per ounce in 2006 (2004: $196 per ounce). Capital expenditure of $1 million was 50 percent lower than
the capital expenditure of 2005 of $2 million (2004: $2 million) and was spent on various small projects, including a minor
plant upgrade.

Growth prospects: A regional drilling programme, with a view to finding another significant orebody, is being conducted
over the next two years.

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NAMIBIA

The Navachab mine is AngloGold Ashanti's only operation in Namibia.

Description: AngloGold Ashanti holds a 100 percent interest in the Navachab open-pit gold mine after having obtained an additional 30 percent interest in 1999. The mine has been in production since 1990.

Location: Navachab is located near Karibib in Namibia, on the southern west coast of Africa.

Geology: The Navachab deposit is hosted by Damaran greenschistam-phibolite facies, calc-silicates, marbles and volcanoclastics. 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 mineralized zone forms a sheet-like body which plunges at an angle of approximately 20 degree to the north-west. The mineralization is predominantly hosted in a sheeted vein set (±60 percent) and a replacement skarn body (±40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

Navachab – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)
110
Technology
crushing,
SAG milling,
cyanide leach,
CIP,
elution,
electro-winning

Operating and production data for 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 (000 oz) 100 percent
86
81
66
Total cash costs ($/oz)
(1)
349
321
348
Total production costs ($/oz)
(1)
407
333
424
Capital expenditure ($ million) 100 percent
5
5
21
Employees
(2)(3)
313 315 251
Outside contractors
(2)
– – –

(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".
(2)
Average for the year.
(3)
No mining labor, contract or otherwise, was on site during the first half of 2004.

65

Operating performance: In 2006, gold production rose by 6 percent to 86,000 ounces from 81,000 ounces in 2005 (2004: 66,000 ounces) as increased tonnage throughout offset the effect of the decline in grade to 1.81g/t from 2.05g/t in 2005 (2004: 1.59g/t). Total cash costs increased to $349 per ounce from $321 per ounce in 2005 (2004: $348 per ounce) due to the lower recovered grade. Capital expenditure of $5 million was unchanged from that of 2005 (2004: $21 million) and was incurred mainly on preparation for mining the Grid A satellite orebody and treatment plant optimization.

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

TANZANIA

The Geita mine is AngloGold Ashanti's only operation in Tanzania.

Description: The Geita mine is a multi-pit operation with a CIL plant that has the capacity to treat 6 million tones a year.

Prior to April 2004, Ashanti and AngloGold each held a 50 percent share in Geita, which was managed under the joint venture agreement entered into between the companies. As a result of the business combination, Geita is now a wholly-owned subsidiary.

Location: The Geita mine is located 80 kilometers south-west of the town of Mwanza.

Geology: Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralization 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 mineralization can occur in the diorite as well (usually in association with BIF-hosted mineralization), and approximately 20 percent of the gold is hosted in the diorite.

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Geita – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)

490

Technology

crushing,
SAG milling,
ball milling,
gravity concentration,
CIL,
elution,
electro-winning

Operating and production data for Geita

2006	**2005**	**2004** (1)
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 (000 oz) 100 percent		
308		
613		
692		
Gold production (000 oz) 100 percent attributable from May 2004		
308		
613		
570		
Total cash costs ($/oz) (2)		
630		
298		
250		
Total production costs ($/oz) (2)		
766		
419		
335		
Capital expenditure ($ million) 100 percent		
67		
78		
14		

Capital expenditure ($ million) 100 percent attributable from May 2004
67
78
13
Employees
(3)
2,043 1,066 661
Outside contractors
(3)
1,177
1,214
1,595
(1)
Prior to April 26, 2004, AngloGold held a 50 percent stake.
(2)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".
(3)
Average for the year.

Operating performance: In 2006, total gold production decreased by 50 percent to 308,000 ounces from 613,000 ounces in 2005 (2004: 692,000 ounces) due to a combination of factors. In the first quarter, a drought reduced water supply to the processing plant and subsequent heavy rains resulted in hauling constraints. This, combined with a slower-than-anticipated cut-back of the Nyankanga pit, resulted in a 46 percent drop in the grade for 2006 to 1.68g/t from 3.14g/t in 2005 (2004: 3.74g/t).

These factors also contributed to the 111 percent increase in total cash costs from $298 per ounce in 2005 to $630 per ounce in 2006 (2004: $250 per ounce). Capital expenditure of $67 million (2005: $78 million – 2004: $13 million) included the cost of infrastructure associated with the change from contractor mining to owner mining, together with the purchase of larger trucks and a shovel.

Growth prospects: Exploration to identify and generate resources to 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 potential is anticipated.

Outlook: A partial slope 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 percent increase to 400,000 ounces.

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UNITED STATES OF AMERICA

AngloGold Ashanti acquired its operations in the United States of America from Minorco, effective March 31, 1999 and comprise the wholly-owned AngloGold Ashanti (Colorado) Corp., which holds a 67 percent interest in the Cripple Creek & Victor Gold Mining Company (CC&V) in Colorado with a 100 percent interest in gold produced until certain conditions are met (as explained below). AngloGold Ashanti owns 100 percent of Big Springs in Nevada, which is currently in the final stages of rehabilitation and closure.

Cripple Creek & Victor (attributable 67 percent with 100 percent interest in production)

Description: AngloGold Ashanti holds a 67 percent stake in CC&V, with the remaining 33 percent held by Golden Cycle Gold Corporation (Golden Cycle). AngloGold Ashanti is the manager of the operation and is entitled to receive 100 percent of the cash flow from the operation until loans extended to the joint venture are repaid and the initial phase ends. CC&V is a low-cost, low-grade open-pit operation.

Location: CC&V is located south-west of Colorado Springs in the state of Colorado in the USA.

Geology: The district of Cripple Creek is centered on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometers and surrounded by Precambrian rocks.

The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

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

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The average depth of oxidation is 120 meters 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 mineralization can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Cripple Creek & Victor – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)

-

crushed ore production

1,512

-

total ore production

1,512

- solution processed

2,235

Technology

crushers,

valley heap-leach,

gold adsorption by carbon in solution,

elution,

electro-winning

Operating and production data for Cripple Creek & Victor operations

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 (000 oz)		
283		
330		
329		
Total cash costs ($/oz)		
(1)		
248	230	220
Total production costs ($/oz)		
(1)		
498	418	365
Capital expenditure ($ million)		
13		

8
16
Employees
(2)
325 313 313
Outside contractors
(2)
44 44 74
(1)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating
results – Total cash costs and total production costs".
(2)
Average for the year.

Operating performance: In 2006, gold production at CC&V declined by 14 percent to 283,00 ounces from 330,000 ounces produced in 2005 (2004: 329,000 ounces) primarily as a result of reduced rainfall in the region and the consequent reduction in irrigation of the heap-leach pad. Yield was 0.54g/t compared with the 0.62g/t achieved in 2005 (2004: 0.61g/t). Total cash costs of $248 per ounce were 8 percent higher than the $230 per ounce achieved in 2005 (2004: $220 per ounce), primarily as a result of higher prices for consumables and greater mining activity, that resulted in the placement of 14 percent more ore tonnes 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.

Capital expenditure of $13 million was 63 percent higher than the $8 million spent in 2005 (2004: $16 million) and was incurred on increased brownfields exploration and upgrading the operation's water delivery systems.

Growth prospects: An extension of mine life is currently underway at CC&V which would involve the staged expansion of the heap leach facility together with the development of new ore sources within the existing claims.

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ZIMBABWE

The Freda-Rebecca, a former Ashanti operation, was owned by AngloGold Ashanti for only four months in 2004. The operation was sold with effect from September 1, 2004 to South African-based Mwana Africa Holdings for $2 million.

Operating and production data for Freda-Rebecca

2006	**2005**	**2004** (1)
Pay limit (oz/t)	–	–
Pay limit (g/t)	–	–
Recovered grade (oz/t)	–	–
Recovered grade (g/t)	–	0.048
Gold production (000 oz)	–	1.66
Total cash costs ($/oz) (2)	–	–
Total production costs ($/oz) (2)	–	–
Capital expenditure ($ million)	–	9
Employees (3)	–	–
Outside contractors (3)	–	556
		–
		–
		1
		–
		687
		–
		–
		58

(1)

For the four months from May 2004 through August 2004. The mine was sold effective September 1, 2004.

(2)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.:
Operating results – Total cash costs and total production costs".
(3)
Average for the period.

Rights to mine and title to properties

AngloGold Ashanti's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. In a number of countries in which AngloGold Ashanti operates there are, in some cases, certain restrictions in terms of the group's ability to independently move assets out of that country and/or transfer the assets within the group, without the prior consent of the local government or minority shareholders involved.

Argentina

According to Argentinean mining legislation, mines are the private property of the nation or a province, depending on where they are located. Individuals are empowered to explore for, exploit and dispose of mines as owners by means of a legal license granted by a competent authority under the provisions of the Argentine Mining Code. The legal licenses granted for the exploitation of mines are valid for an undetermined period, provided that the mining title holder complies with the obligations settled in the Argentine Mining Code.

In Argentina, the usual ways of transferring rights over mining licenses are: to sell the license; to lease such license; or to assign the rights under such a license by a beneficial interest or Usufruct Agreement. In the case of Cerro Vanguardia - AngloGold Ashanti's operation in Argentina - the mining title holder is its partner, Fomicruz, and due to the Usufruct Agreement signed between them and Cerro Vanguardia SA on December 27, 1996, the latter has the irrevocable right to the exploitation of the deposit for a period of 40 years. This agreement expires on December 27, 2036.

Australia

In Australia, with few exceptions, all onshore mineral rights are reserved by the government of the relevant state or territory. Exploration for, and mining of, minerals is regulated by the general mining legislation and controlled by the mining ministry of each respective State or Territory.

Where native title has not been extinguished, native title legislation may apply to the grant of tenure and some subsequent administrative processes. Federal and State Aboriginal heritage legislation also operates to protect special sites and areas from disturbance although to date there has not been any adverse impact on any of AngloGold Ashanti's operating properties.

AngloGold Ashanti's operating properties are located in the state of Western Australia. The most common forms of tenure are exploration and prospecting licenses, mining leases, miscellaneous licenses and general purpose leases.

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In most Australian states, if the holder of an exploration license establishes indications of an economic mineral deposit and complies with the conditions of the grant, the holder of the exploration license has a priority right against all others to apply for a mining lease which gives the holder exclusive mining rights with respect to minerals on the property.

It is possible for an individual or entity to own the surface of the property and for another individual or entity to own the mineral rights. Typically the maximum initial term of a mining lease is 21 years, and the holder has the right to renew the lease for a further period of 21 years. Subsequent renewals are subject to the discretion of the respective State or Territory's minister responsible for mining rights. Mining leases can only be assigned with the consent of the relevant minister.

Government royalties are payable as specified in the relevant legislation in each State or Territory. A general purpose lease may also be granted for one or more of a number of permitted purposes. These purposes include erecting, placing and operating machinery and plant in connection with mining operations, depositing or treating minerals or tailings and using the land for any other specified purpose directly connected with mining operations. Similarly, a Miscellaneous License may be granted for a number of permitted purposes including road and water access.

AngloGold Ashanti owns the mineral rights and has 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations, and both the group and its joint venture partners are fully authorized to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti's operations in Australia.

Brazil

In Brazil, there are two basic mining rights: a license for the exploration stage, valid up to three years, renewable once; and a Mining Concession or Mine Manifest, valid for the life of the deposit. In general, exploration licenses are granted on a first-come, first-served basis. Mining concessions are granted to the holders of exploration licenses that manage to prove the existence of a Mineral Resource and have been licensed by the environmental competent authority.

Mine Manifests (mining titles granted in 1936) and Mining Concessions (mining titles presently granted through an order signed by the Secretary of Mines of the Ministry of Mines and Energy) are valid for an undetermined period until depletion of reserves, provided that the mining title holder complies with current Brazilian mining and environmental legislation, as well as with those requirements set out by the National Department of Mineral Production (DNPM) who acts as inspecting entity for mining activities.

Obligations of the titleholder include:

- the start of construction, as per an approved development plan, within six months of the issuance of the concession;
- extracting solely the substances indicated in the concession;
- communicating to the DNPM the discovery of a mineral substance not included in the concession title;
- complying with environmental requirements;

- restoring the areas degraded by mining; refrain from interrupting exploitation for more than six months; and
- reporting annually on operations.

The difference between a Mine Manifest and a Mining Concession lies in the legal nature of these two mining titles, since it is much more difficult and complicated for the public administration to withdraw a Mine Manifest than a Mining Concession although, in practice, it is possible for a Manifest to be cancelled or to become extinct if the abandonment of the mining operation is formally proven. All of AngloGold Ashanti's operations in Brazil have indefinite mining licenses.

Ghana

Mining activities in Ghana are primarily regulated by the new Minerals and Mining Act, 2006 (the Mining Act). The Mining Act replaces the repealed Minerals and Mining Law, 1986 (PNDCL 153). The Mining Act replicates many of the provisions of the old Law. Under the Constitution and the Mining Act, all minerals in Ghana in their natural state are the property of the State and title to them is vested in the President on behalf of and in trust for the people of Ghana, with rights of prospecting, recovery and associated land usage being granted under license or lease.

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The key material modifications to the previous mining regime affected by the Mining Act are:

- the right of the government to acquire a 10 percent ‘free-carried’ interest in a mining company continues, but any further interest in the mining company shall be acquired on terms to be agreed with the holder of the mining right. The Act does not prescribe any terms;
- compensation principles for disturbance of an owner’s surface rights; and
- although the right of the government to be issued with a special share in a mining company still exists, the consent of the special shareholder will only be required for the disposal of a mining lease and/or material assets, which are situated in Ghana.

A license is required for the export or disposal of such minerals and the government has a right of pre-emption over all such minerals. The government of Ghana shall acquire, without payment, a 10 percent interest in the rights and obligations of the mineral operations in relation to a mineral right to reconnaissance, prospecting or mining, and shall have the option to acquire a further 20 percent interest where any mineral is discovered in commercial quantities, on terms agreed between the government and the holder of the mining lease subject to arbitration if the parties fail to agree.

A license or lease granting a mineral right is required to prospect for or mine a mineral in Ghana and the Minister of Energy and Mines has the power to negotiate, grant, revoke, suspend or renew any mineral right, subject to a power of disallowance exercisable within 30 days of such grant, revocation, suspension or renewal by the Cabinet. The powers of the Minister of Mines are to be exercised on the advice of the Minerals Commission, which is responsible for regulating and managing the utilization of natural resources and coordinating policies relating to them.

The grant of a mining lease by the Minister of Mines is normally subject to parliamentary ratification unless the mining lease falls into a class of transactions exempted by parliament. A mineral right is deemed a requisite and sufficient authority over the land in respect of which the right is granted, although a separate license is required for some other activities, including the diversion of water, and additional consents may be required for certain developments. A mineral right or interest therein may not be transferred, assigned or otherwise dealt with in any other manner without prior written approval of the Minister of Mines.

Control of mining companies: The Minister of Mines has the power to object to a person becoming or remaining a ‘‘shareholder controller’’, a ‘‘majority shareholder controller’’ or an ‘‘indirect controller’’ of a company which has been granted a mining lease if he considers that the public interest would be prejudiced by the person concerned becoming or remaining such a controller.

In this context:

- shareholder controller means a person who, either alone or with certain others, is entitled to exercise or control the exercise of 20 percent or more of the voting power at any general meeting of a mining company or of any other company of which it is a subsidiary;
- majority shareholder controller means a shareholder controller in whose case the percentage referred to above also exceeds 50 percent; and
- indirect controller means a person in accordance with whose directions or instructions the director of a mining company, or of another company of which it is a subsidiary, or the shareholder controllers of that mining company, are accustomed to act.

A person may not become a shareholder controller, a majority shareholder controller or an indirect controller of a mining company unless he has served written notice on the Minister of Mines of his intention to that effect and the Minister of Mines consents to his becoming such a controller or does not object within a period of six months.

Where a person becomes or continues to be a controller of the relevant description after a notice of objection has been served on him, or is otherwise in contravention of the procedures prescribed by the Mining Act, the Minister of Mines may notify the controller that, until further notice, any specified shares are subject to restrictions. The relevant restrictions include restrictions on transfer, voting rights, receipt of further shares and distributions. The Minister of Mines may apply to the High Court to order the sale of any shares which are the subject of such a restriction. There is no legal restriction on the foreign ownership of a mining company.

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Where a person, either alone or with others, acquires an interest in 5 percent or more of the voting power of a mining company he is required to notify the Minister of Mines. A person who is a controller of a mining company must give notice of his ceasing to be such a controller before he disposes of his interest. In addition, the mining company itself has to give notice to the Minister of Mines of the fact that any person has become or ceased to be a controller.

Violation of these provisions of the Mining Act is a criminal offence. The Mining Act also gives the Minister of Mines power to investigate and report on the ownership and control of any mining company.

The Act provides for stability agreements, as a mechanism to ensure that the incentives and protection afforded by laws in force at the time of the Stability Agreement are guaranteed for 15 years. A stability agreement is subject to ratification by Parliament.

Under the Act, the Minister may enter into a Development Agreement under a mining lease where the proposed investment by the holder will exceed $500 million.

A development agreement may contain provisions relating to the mineral right or operations to be conducted, the circumstances or manner in which the Minister may exercise discretion conferred by the Act, stability terms, and in relation to environmental issues and obligations of the holder of the mineral right. A Development agreement is also subject to ratification by Parliament.

Prior to the business combination between AngloGold and Ashanti, AngloGold and the government of Ghana agreed the terms of a Stability Agreement to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti would operate in Ghana following the implementation of the business combination. The terms of the Stability Agreement have not been altered by the new Mining Act.

Payments and allowances

The Mining Act provides that royalties are payable by the holder of a mining lease to the State at rates of between 3 percent and 6 percent of total minerals revenue, depending on a formula set out in mineral royalty regulations. The laws of Ghana currently provide for income tax at a rate of 25 percent. The Mining Act provides for an entitlement to certain specified capital allowances and various additional fiscal and other benefits. AngloGold Ashanti and the government of Ghana have entered into the Stability Agreement with respect to the payment of royalties and taxes.

Under the Stability Agreement, the government of Ghana agreed:

- to extend the term of the mining lease relating to the Obuasi mine until 2054 on terms existing prior to the business combination;
- to maintain for a period of 15 years, the royalties payable by AngloGold Ashanti with respect to its mining operations in Ghana at a rate of 3 percent per annum of the total revenue from minerals obtained by AngloGold Ashanti from such mining operations;
- to ensure that the income tax rate would be 30 percent for a period of 15 years. The agreement was amended in December 2006 to a tax rate equal to the prevailing corporate rate and shall not be higher than 30 percent;
- that a sale of AngloGold Ashanti’s or any of its subsidiaries' assets located in Ghana remain subject to the government's approval;

- to permit AngloGold Ashanti and any or all of its subsidiaries in Ghana to retain up to 80 percent of their exportation proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana, to guarantee the availability of such foreign currency; and
- to retain its special rights (Golden Share) under the provisions of the Mining Act pertaining to the control of a mining company, in respect of the assets and operations in Ghana.

The government of Ghana also agreed that AngloGold Ashanti's Ghanaian operations will not be adversely affected by

any new enactments or orders or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination.

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In consideration of these agreements and undertakings, AngloGold Ashanti issued to the government of Ghana 2,658,000 ordinary shares and paid to the government of Ghana $5 million in cash, promptly after the implementation of the business combination. AngloGold Ashanti also paid to the government of Ghana, on the date of the completion of the business combination, an additional $5 million in cash towards the transaction costs incurred by the government of Ghana in its role as regulator.

Retention of foreign earnings: Holders of mining leases have certain limited rights to retain foreign exchange earnings overseas and to use such earnings for the acquisition of machinery and equipment as well as for certain other payments, such as debt service payments and dividends.

Where the net earnings of a holder of a mining lease are in foreign currency, the holder is permitted to retain not less than 25 percent of foreign exchange earnings in an external bank account for acquiring machinery and equipment, spare parts and raw materials as well as for certain other payments, such as dividend and debt service payments.

AngloGold Ashanti's operations in Ghana are permitted to retain 80 percent of its foreign exchange earnings in such an account. In addition, the company has permission from the Bank of Ghana to retain and use, outside of Ghana, dollars required to meet payments to the company's hedge counterparts which cannot be met from the cash resources of its treasury company.

Leases: Mining leases may be applied for either by a prospecting license holder who has established the existence of minerals in commercial quantities or by others who do not hold such licenses, who establish the same to the satisfaction of the Minister of Mines.

Mining leases are normally granted for a period not exceeding 30 years and the holder may apply to the Minister of Mines for renewal, on such conditions as the Minister of Mines may determine, for up to another 30 years. This period has been extended in terms of the Stability Agreement. They are to have a maximum size (subject to derogation by the President where it is considered to be in the national interest) of 50 square kilometers for any grant and 150 square kilometers in aggregate.

A holder may apply for an enlargement of the mining area, which, subject to the Mining Law, the Minister of Mines may grant if satisfied that such approval is in the national interest.

The rights conferred by mining leases include those to take all reasonable measures on or under the surface to mine the mineral to which the mining lease relates, to erect necessary equipment, plant and buildings, to prospect within the mining area and to stack or dump mineral waste in an approved manner.

Reconnaissance and prospecting licenses are normally granted for up to 12 months and three years respectively, subject to renewal. A detailed programme must be submitted for the recruitment and training of Ghanaians with a view to achieving 'localization', being the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies.

Prior notification to the Minister of Mines is required for ceasing, suspending or curtailing production. Approval to such
actions may be given, subject to conditions determined on the advice of the Minerals Commission.
There are also provisions relating to surrender, suspension and cancellation of mineral rights in certain circumstances. The Minister of Mines may suspend or cancel a mineral right if, among other things, the holder:

- fails to make payments under the Mining Act when due;
- is in breach of any provisions of the Mining Actor the conditions of the mineral right or the provisions of any other enactment relating to mines and minerals;
- becomes insolvent or bankrupt;
- makes a statement to the Minister of Mines in relation to the mineral right which he knows, or ought to have known, to
be false; or
- for any reason becomes ineligible to apply for a mineral right under the provision of the Mining Law.

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Except as otherwise provided in a specific mining lease, all immovable assets of the holder under the mining lease vest in the State on termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not fully depreciated is to be offered to the State at the depreciated cost. The holder must exercise his rights subject to such limitations relating to surface rights as the Minister of Mines may prescribe. Subject to the proper conduct of the mining operations, the holder must affect as little as possible the interest of any lawful occupier, whose grazing rights are retained but who is precluded from erecting any building without the consent of the holder (or, if such consent is unreasonably withheld, without the consent of the Minister).

An owner or occupier of any land subject to a mineral right may apply to the holder of the mineral right for compensation and the amount of the compensation shall, subject to the approval of the Land Valuation Board, be determined by agreement between the parties concerned (or, if they are unable to reach agreement, by the Minister of Mines in consultation with the Land Valuation Board). The Land Valuation Board has in the past increased amounts of compensation payable to owners and occupiers. The holder, in the exercise of his rights, is required to have due regard to the effect of the mineral operations on the environment and is to take such steps as may be necessary to prevent pollution of the environment as a result of such operations.

A range of activities and breaches of the Mining Law, including obstructing the government from exercising its pre-emption right and conducting mining, prospecting or related activities other than in accordance with the Mining Law, constitute offences punishable by fine or imprisonment. The maximum fine is 500,000 cedis (at the current exchange rate, equivalent to approximately $50) and the maximum term of imprisonment is two years.

Mining properties: The current mining lease for the Obuasi area was granted by the government of Ghana on March 5, 1994. It grants mining rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent 140 square kilometers has also been granted resulting in the total area under mining lease conditions increasing to 474 square kilometers, “the Lease Area”.

The company is required to pay to the government of Ghana rent (subject to review every five years, when the rent may be increased by up to 20 percent) at a rate of approximately $5 per square kilometers and such royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area. Under the Stability Agreement the Government of Ghana has agreed to extend the term of the Obuasi lease until 2054.

Bibiani had title to a 50 square kilometers mining lease for a period of 30 years to May 18, 2027. The terms and conditions of the lease are consistent with similar leases granted in respect of Obuasi. With effect from October 1, 2001, the Bibiani mining lease was transferred to Ashanti Goldfields Company Limited from Ashanti Goldfields (Bibiani) Limited. The Bibiani Mine and its assets were sold to Central African Gold Limited, effective December 1, 2006.

Iduapriem has title to a 33 square kilometer mining lease granted on April 19, 1989 for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted in respect of the Obuasi mining lease.

Teberebie has two leases, one granted in February 1998 for a term of 30 years, and another granted in June 1992 for a term of 26 years. The terms and conditions of these leases are consistent with similar leases granted in respect of the Obuasi mining lease.

Guinea

In Guinea, all mineral substances are the property of the State. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles:

surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession.

The holders of mining titles are guaranteed the right to dispose freely of their assets and to organize their enterprises as

they wish, the freedom to engage and discharge staff in accordance with the regulations in force, free movement of their

staff and their products throughout Guinea and freedom to dispose of their products in international markets.

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The group's Guinea subsidiary, Société Ashanti Goldfields de Guinée SA (SAG), has title to the Siguiri mining concession area which was granted on November 11, 1993 for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust economic Ore Reserves.

The original area granted encompassed 8,384 square kilometers which the subsidiary was required to reduce to five or fewer single blocks of not less than 250 square kilometers per block totaling not more than 1,500 square kilometers by November 11, 1996. The retrocession reduced the Siguiri concession area to four blocks totaling 1,495 square kilometers.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for a further 22-year period from November 11, 1996 under conditions detailed in a Convention de Base predating the new Guinea Mining Code.

Key elements of the Convention de Base are:

- the government of Guinea holds a 15 percent free-carried or non-contributory interest; a royalty of 3 percent based on a spot gold price of less than $475, and 5 percent based on a spot gold price above $475, as fixed on the London Gold Bullion Market, is payable on the value of gold exported; a local development tax of 0.4 percent is payable on the gross sales revenues; salaries of expatriate employees are subject to a 10 percent income tax; mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and
- SAG is committed to adopt and progressively implement a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to do so, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by our subsidiary or if SAG goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

In addition to the export tax payable to the government of Guinea, a royalty on production may be payable to the International Finance Corporation (IFC) and to Umicore SA, formerly Union Miniere (UM). Pursuant to the option agreement between UM and Golden Shamrock Mines Limited (GSM), a royalty on production may be payable to UM by Chevaning Mining Company Limited (CMC) or GSM, which payment obligation has been assigned to AngloGold Ashanti (Ghana) Limited, on a sliding scale of between 2.5 percent and 7.5 percent, based on the spot gold price per ounce between $350 and $475, subject to indexing from January 1, 1995, to a cumulative maximum of $60 million. In addition, under the terms of the restructuring agreement with the IFC, a sliding scale royalty on production may be payable to the IFC calculated on the same basis but at half the rate payable to UM, to a maximum of $7.8 million.

Mali

Mineral rights in Mali are governed by the Mining Act and Regulations promulgated in 1991. Exploration is carried out under permits granted by Ministerial Decree following application to the National Director of Geology and Mines from the Ministry of Mines, Energy and Water conveying exclusive title to conduct exploration. The permit is valid for a three-year period and is renewable twice. A company applying (in an area it selected) for such a permit must provide proof of technical and financial capabilities.

An exploitation permit is required to mine a deposit located within the exploration area. This permit grants exclusive title to mine for a maximum period of 30 years (inclusive of renewals) and is granted by the Council of Ministers following

application to the National Director of Mines.

Both permits referred to above include a Mining Convention (Convention d'Etablissement) covering exploration, mining, treatment and marketing in a comprehensive document. This outlines the general conditions with regard to exploration (work programme, fiscal and customs regime) and exploitation (formation of a local limited liability company and mining company, state shareholdings, the fiscal and customs regime during construction and exploitation phases, exchange controls, marketing of the product, accounting regime, training programmes for local labor, protection of the environment, reclamation, safety, hygiene and settlement of disputes).

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Application for an exploration permit is submitted to the National Director of Mines based on various documents, including applicant identification, locations, receipts for payment of fixed rights and surface fees, and articles of association, together with a draft mining convention. An inter-ministerial committee examines the applications and one company is retained to do the exploration. This company then negotiates a draft of the Mining Convention and the Minister of Mines grants the exploration permit by an in-house decree published in the Malian Gazette. Once an economically viable deposit has been identified, an application for an exploitation permit is submitted to the National Director of Mines. This application must be made prior to the expiry of the exploration permit. The application document must contain a map and co-ordinates, a receipt for payment of fixed rights and surface fees and a summary of technical and financial capabilities.

The exploitation title is granted following a thorough investigation. AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2029, 2024 and 2030, respectively.

Namibia

Mineral rights in Namibia vest in the State. In order to prospect or mine, the Ministry of Mines and Energy initially grants a prospecting license and on presentation of a feasibility study, a mining license is then granted taking into account the abilities of the company, including mining, financial and technical capabilities, rehabilitation programmes and payment of royalties. The relevant license has been granted to AngloGold Namibia (Pty) Ltd in respect of its mining and prospecting activities in Namibia. The current 15-year license expires in 2018.

South Africa

The Mineral and Petroleum Resources Development Act: In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act (MPRDA), which was passed by the Parliament of South Africa in June 2002 and came into effect on May 1 2004. The MPRDA vests custodianship of South Africa's mineral rights in the State, which will issue prospecting rights or mining rights to applicants in the future. For further details relating to the MPRDA and the associated broad-based socio-economic empowerment charter and related scorecard, as well as AngloGold Ashanti's progress in converting existing rights in terms of the new legislation, see Item 3D.: Risk factors – AngloGold Ashanti's new order mineral rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

Tanzania

Mineral rights in the United Republic of Tanzania are governed by the Mining Act of 1998, and property and control over minerals are vested in the United Republic of Tanzania. Prospecting for the mining of minerals, except petroleum, may only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under this Act. The three types of mineral rights most often encountered, which are also those applicable to AngloGold Ashanti, are: prospecting licenses; retention licenses; and mining licenses.

A prospecting license grants the holder thereof the exclusive right to prospect in the area covered by the license for all minerals, other than building and gemstones, for a period of three years. Thereafter, the license is renewable for two

further periods of two years each. On each renewal of a prospecting license, 50 percent of the area covered by the license must be relinquished. Before application is made for a prospecting license, a prospecting reconnaissance for a maximum area of 5,000 square kilometers is issued for a period of two years after which a three-year prospecting license is applied for. A company applying for a prospecting license must, inter alia, state the financial and technical resources available to it. A retention license can also be requested from the Minister, after the expiry of the 3-2-2-year prospecting license period, for reasons ranging from funds to technical considerations.

Mining is carried out through either a mining license or a special mining license, both of which confer on the holder thereof the exclusive right to conduct mining operations in or on the area covered by the license. A mining license is granted for a period of 10 years and is renewable for a further period of 10 years. A special mining license is granted for a period of 25 years and is renewable for a further period of 25 years.

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If the holder of a prospecting license has identified a mineral deposit within the prospecting area which is potentially of commercial significance, but it cannot be developed immediately by reason of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention license which will entitle the holder thereof to apply for a special mining license when it sees fit to proceed with mining operations.

A retention license is valid for a period of five years and is thereafter renewable for a single period of five years. A mineral right may be freely assigned by the holder thereof to another person, except for a mining license, which must have the approval of the Ministry to be assigned.

However, this approval requirement for the assignment of a mining license will not apply if the mining license is assigned to an affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining operations.

A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts.

AngloGold Ashanti has complied with all applicable requirements and the relevant licenses have been issued for 25 years and expire in 2024.

United States of America

Mineral rights, as well as surface rights, in the United States are owned by private parties, state governments and the federal government. Most land prospective for precious metals exploration, development and mining are owned by the federal government and are obtained through a system of self-initiated mining claim location pursuant to the General Mining Law of 1872, as amended. Individual states typically follow a lease system for state-owned minerals. Private parties have the right to sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. All mining activities, regardless of whether they are situated on privately- or publicly-owned lands, are regulated by a myriad of federal, state and local laws, regulations, rules and ordinances, which address various matters including environmental protection, mitigation and rehabilitation.

Authorizations and permits setting forth the activities and restrictions pertaining thereto are issued by the responsible governmental agencies for all phases of mining activities.

The Cripple Creek & Victor Gold Mining Company joint venture consists almost entirely of owned patented mining claims from public lands, with a small percentage of private and state lands being leased. The total area of control is approximately 7,100 acres. Patented claims vest ownership in the holder, including the right to mine for an indefinite tenure. All life-of-mine reserves are within these property controls. The mining and rehabilitation permits issued by the State of Colorado are life-of-mine permits.

Ore Reserves

Ore reserve estimates are reported in accordance with the requirements of the SEC’s Industry Guide 7. Accordingly, as of the date of reporting, all reserves are planned to be mined out under the life-of-mine plans within the period of AngloGold Ashanti’s existing rights to mine, or within the renewal periods of AngloGold Ashanti’s rights to mine. In addition, as of the date of reporting, all reserves are covered by required permits and governmental approvals. See “Item 4B.: Business overview — Rights to mine and title to properties”, “— Safety and Health”, and “Item 4D.: Property, plant and equipment”.

AngloGold Ashanti has standard procedures for the estimation of ore reserves. These standard procedures are performed by

technical personnel at the mining operations and reviewed by regional and corporate competent persons.

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In the case of its underground mines, the procedure is as follows: Firstly, gold content and tonnage are estimated for in-situ mineralized material at a mining operation. This mineralized material is not necessarily economically viable. Exclusions on the grounds of safety (for example, stability pillars, shaft pillars) are then defined. Grade and tonnage curves specific for each of the deposits, in conjunction with the cost structure, yield, mine call factor, gold price estimates are used to determine an optimal mining mix. This process facilitates the determination of the average grade to be mined by each operation. This grade is then applied to the grade-tonnage curves, which in turn facilitates the determination of the cut-off grade and ore reserve tonnage for the operation. A full mine design is carried out on the blocks of mineralized material, excluding large mining areas that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criterion and practical limitations of access and timing. If the review process is positive then the mineralized material (with dilution) included in the mining plan is declared and published as the ore reserve for that operation.

In the case of open-pit mines the procedure is as follows: revenue and costs are calculated for each mining block within a three-dimensional model of the orebody using assumed values for gold price, operating costs and metallurgical recoveries. An optimization process is then applied to determine the combination of blocks within the model that make a positive contribution under these assumptions. Block selection is within a shell whose limits are defined by the planned slope angles of the pit. Within this process, a cut-off grade is applied which determines the ore blocks to be treated and included in the ore reserves. These blocks are scheduled with consideration being given to practical mining considerations and limitations. Scheduled ore blocks that are classified as proven or probable constitute the ore reserve.

The gold price and exchange rate used for 2006 and 2005 Reserves are outlined in the following table.

	2005 (3 Year Average)	**2006 (Business Plan)**	**2006 (3 Year Average)**	**Units**
Reserve Gold Price	**400**	**550**	**486**	**US$/oz**
Exchange Rate – South Africa	**6.75**	**6.50**	**6.53**	**ZAR/US$**
Exchange Rate – Australia	**0.72**	**0.73**	**0.75**	**US$/Aus$**

Given the sustained increase in the gold price since 2002 and the positive gold price outlook, AngloGold Ashanti prepared
its life of mine business plans using a gold price of $550 per ounce. The ore reserves determined from the planning process were then tested for economic viability at the three-year historical average gold price and currency exchange rates shown in the above table for determining SEC compliant reserves. The resultant SEC compliant proven and probable reserves are shown in the following pages.

In Australia and South Africa, AngloGold Ashanti is legally required to publicly report Ore Reserves and Mineral Resources according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC 2004) and
the South African Code for Reporting of Mineral Resources and Ore Reserves (SAMREC 2000). The SEC's Industry Guide 7 does not recognize Mineral Resources. Accordingly, AngloGold Ashanti does not report estimates of Mineral Resources in this annual report on Form 20-F.

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The total AngloGold Ashanti Ore Reserves increased from 63.3 million ounces in 2005 to 66.0 million ounces in December 2006. The principal changes in AngloGold Ashanti's ore reserves as at December 31, 2006 compared with those published as at December 31, 2005 are as follows:

Moz

December 2005 Ore Reserves

63.3

Principal Reductions

2006 Total Depletion

-6.5

Tau Lekoa, due to lower grade and Mine Call Factor

-0.4

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

-0.4

Bibiani, due to sale of property

-0.1

Other

-0.4

Principal Additions

Mponeng, due to 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 sulphides

1.0

Boddington, due to upgrade of Inferred material in pit and increase in gold and copper prices

0.7

Sunrise Dam, due to inclusion of North-Wall Cutback and Cosmo

0.7

Iduapriem, due to increased gold price

0.5

AngloGold Ashanti Brasil Mineração, due to Cuiaba development and Corrego do Sitio Sulphide

0.5

Cerro Vanguardia, due to successful exploration programme and increased gold price

0.4

Siguiri, additional pit included

0.4

Navachab, due to a larger economic pit

0.3

Savuka, due to increased gold price

0.3

Yatela, due to the inclusion of an additional cutback

0.2

Serra Grande, due to incorporation of an open pit and development of levels with higher tons than expected

0.2

Morila, due to the increased gold price

0.1

Other

1.4

December 2006 Ore Reserves*

66.0

* rounding may result in computational diifferences

AngloGold Ashanti will continue to pursue a strategy of increasing value-adding reserves through expansion projects, brownfields and greenfields exploration and acquisition of new assets.

The ore reserve estimates in this document include ore reserves below current infrastructure in the case of certain South African and Ghanaian underground mines which are in production. These ore reserves have been determined based upon completed economic studies.

Audit of 2005 Mineral Resource and Ore Reserve statement

During the course of the year, the AngloGold Ashanti 2005 Mineral Resource and Ore Reserve statements were submitted to independent consultants for review. The Mineral Resources and Ore Reserves from six of AngloGold Ashanti's global operations were selected and subjected to review. The six operations that were reviewed were Moab Khotsong, Tau Lekoa, Vaal River Surface, Navachab, Siguiri and Serra Grande.

The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti's Reserves were evaluated. It is the company's intention to repeat this process so that all its operations will be audited over a three-year period. The audit of those operations selected for review during 2006 is currently in progress.

AngloGold Ashanti's ore reserve statements have been prepared by the competent persons who manage AngloGold Ashanti's ore reserves. See "Item 6.: Directors, senior management and employees".

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Ore Reserves: Imperial

At December 31, 2006

	Proven Ore Reserves (1)			**Probable Ore Reserves** (1)			**Metallurgical Gold Recovery Factor (mill) percent**
	Tons (5) (mill)	**Grade (oz/ton)**	**Content (1) (mill oz)**	**Tons (5) (mill)**	**Grade (oz/ton)**	**Content (1) (mill oz)**	
South Africa							
Vaal River							
Great Noligwa	9.7	0.222	2.2	9.1	0.207	1.9	96.9
Kopanang	1.6	0.259	0.4	18.2	0.242	4.4	97.8
Moab Khotsong	0.2	0.260	0.1	9.0			

0.346
3.1
97.6
Tau Lekoa
0.7
0.145
0.1
2.6
0.119
0.3
97.0
West Wits
Mponeng
(2)
2.0
0.327
0.6
24.6
0.250
6.1
98.5
Savuka
0.6
0.174
0.1
0.4
0.154
0.1
97.2
TauTona
(2)
0.6
0.332
0.2
14.5
0.329
4.8
98.1
Surface
Surface sources
0.0
0.000
0.0
115.5
0.017
1.9
44 – 88
(4)
Argentina
Cerro Vanguardia (92.5 percent)
(3)

0.9
0.207 0.2
7.6
0.181
1.4 95.2
Australia
Boddington (33.33 percent)
(3)
50.4
0.027
1.4
138.4
0.023
3.2
82.2
Sunrise Dam
10.1
0.070
0.7
8.1
0.147
1.2
83.5-85
(4)
Brazil
AngloGold Ashanti Brasil Mineraçáo
2.3 0.187
0.4 10.3 0.22 2.3 87-94
(4)
Serra Grande (50 percent)
(3)
1.8
0.133
0.2
1.1
0.173
0.2
91-96
(4)
Ghana
Bibiani
(6)
0.0
0.000
0.0
0.0
0.000
0.0
-
Iduapriem (85 percent)
(3)

35.9
0.045
1.6
12.9
0.048
0.6
94.5
Obuasi
20.1
0.094
1.9
69.3
0.098
6.8
80-81.0
(4)
Guinea
Siguiri (85 percent)
(3)
20.1
0.017
0.3
58.1
0.025
1.4
93-97.5
Mali
Morila (40 percent)
(3)
6.8
0.073
0.5
5.0
0.072
0.4
89-91.5
(4)
Sadiola (38 percent)
(3)
8.2
0.042
0.3
16.3
0.081
1.3
80-94
(4)
Yatela (40 percent)
(3)
2.3
0.027

0.1
1.6
0.135
0.2
85
(4)
Namibia
Navachab
5.9
0.032
0.2
11.2
0.048
0.5
92
(4)
Tanzania
Geita
4.5
0.028
0.1
82.6
0.101
8.3
66.4-92.8
(4)
United States of America
Cripple Creek & Victor
103
0.027
2.8
39.2
0.027
1.0
60
Total **287.7**
0.050
14.479
655.6
0.079
51.491
(1)
Ore reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.
(2)
Probable ore reserves include reserves below infrastructure. See table below.
(3)
Ore reserves attributable to AngloGold Ashanti's percentage interest shown.
(4)
Recovery factor varies according to ore type.
(5)

Tons refers to a short ton, which is equivalent to 2000lbs avoirdupois
(6)
Bibiani was sold on December 1, 2006.
(7)
The Vaal Reef Ore Reserves include 26.10 million pounds of Uranium by-products; this can not be accounted for by mine as Great Noligwa,
Kopanang and Moab Khotsong feed to a combination of plants.
(8)
The Ore Reserve contains 24.5 million ounces of silver to be recovered as a by-product.
(9)
The Ore Reserve contains 418 million pounds of copper.
(10)
0.55 million tons of sulphure will be recovered from processing the Ore Reserve.

The 2006 probable ore reserves include reserves below infrastructure in the case of the following underground mines currently in production:

Mine	**Tons (millions)**	**Grade (ounces/ton)**	**Gold Content (million ounces)**
Tau Tona	5.0	0.40	2.0
Mponeng	8.8	0.27	2.4
Obuasi	4.4	0.27	1.2
Total	18.2	0.31	5.6

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Ore Reserves: Imperial