Review of operations – Brazil

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

AngloGold Ashanti Brasil Mineração

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

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

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

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

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

Operating performance

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

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

Growth prospects

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

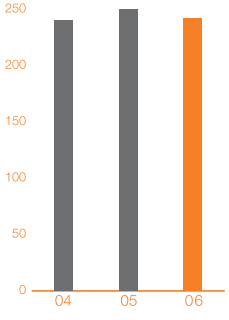
Córrego do Sítio underground sulphides project: This project focuses on exploring the viability of exploiting the potential sulphide ore resources of the Córrego do Sítio underground orebodies, namely Cachorro Bravo, Laranjeira and Carvoaria. In 2006, the pre-feasibility stage of this project was concluded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

AngloGold Ashanti Brasil Mineração

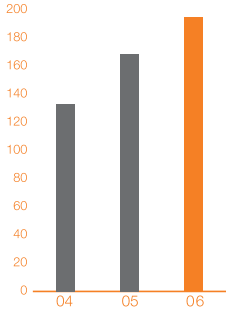
	2006	2005	2004
Pay limit (oz/t)	0.09	0.11	0.11
Pay limit (g/t)	3.10	3.86	3.85
Recovered grade (oz/t)*	0.222	0.212	0.229
Recovered grade (g/t)*	7.60	7.27	7.85
Gold production (000oz)	242	250	240
Total cash costs ($/oz)	195	169	133
Total production costs ($/oz)	266	226	191
Capital expenditure ($ million)	168	71	32
Total number of employees	3,611	2,597	2,243
Employees	1,546	1,363	1,222
Contractors	2,065	1,234	1,021

* Underground operations

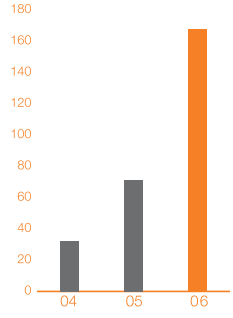
Gold production (000oz)
AngloGold Ashanti
Brasil Mineração



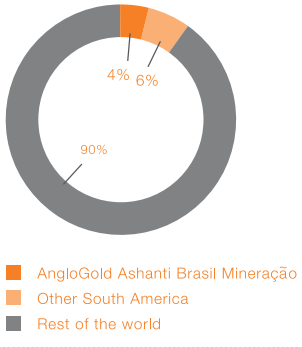
Total cash costs ($/oz)
AngloGold Ashanti
Brasil Mineração



Capital expenditure ($m)
AngloGold Ashanti
Brasil Mineração



Attributable contribution to AngloGold Ashanti production in 2006 (%)



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

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

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

Outlook

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

Serra Grande

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

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

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralisation is associated with massive sulphides and vein quartz material associated with graphitic and sericitic schists and dolomites. The ore shoots plunge to the north-west with dips of between 6° and 35°.

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

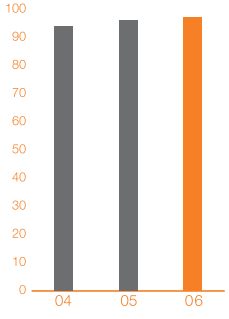
Review of operations – Brazil *cont*

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

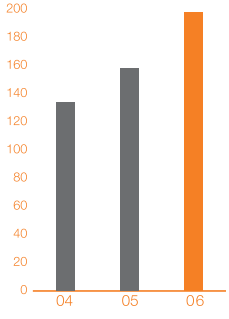
The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied by significant F1 folding/foliation development and progressive alteration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

Serra Grande	2006	2005	2004
Pay limit (oz/t)	0.09	0.09	0.09
Pay limit (g/t)	3.24	3.02	3.17
Recovered grade (oz/t)	0.219	0.231	0.228
Recovered grade (g/t)	7.51	7.93	7.80
Gold production (000oz) – 100%	194	192	187
Gold production (000oz) – 50%	97	96	94
Total cash costs ($/oz)	198	158	134
Total production costs ($/oz)	265	205	178
Capital expenditure ($ million) – 100%	17	13	7
Capital expenditure ($ million) – 50%	8	7	4
Total number of employees	817	775	710
Employees	609	566	514
Contractors	208	209	196

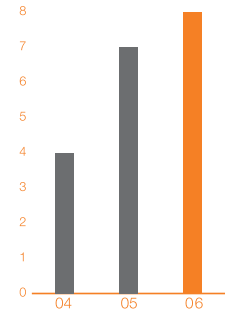
Gold production (000oz) (attributable)
Serra Grande



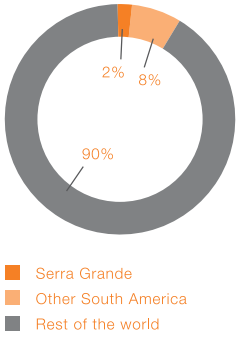
Total cash costs ($/oz)
Serra Grande



Capital expenditure ($m) (attributable)
Serra Grande



Attributable contribution to AngloGold Ashanti production in 2006 (%)



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

Operating performance

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

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

Growth prospects

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

A study was carried out in 2006 proving the viability of mining the Mina III open pit. Production is expected to begin in mid-2007. Results from the exploration programme under way at the nearby Palmeiras orebody justifies the construction of an exploratory ramp and an underground conceptual study. The latter is scheduled to begin in mid-2007.

Outlook

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