

## Review of operations – Ghana

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

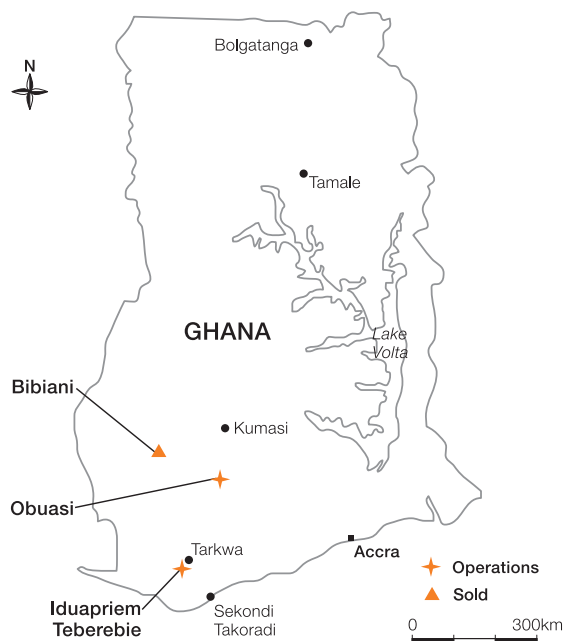
### Obuasi

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

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

Two main ore types are mined:

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



gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulphide ore is generally refractory.

### Operating performance

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

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

Obuasi	2006	2005	*2004
Pay limit (oz/t)†	0.229	0.177	0.188
Pay limit (g/t)	7.13	6.06	6.43
Recovered grade (oz/t)†	0.128	0.139	0.154
Recovered grade (g/t)†	4.39	4.77	5.27
Gold production (000oz)	387	391	255
Total cash costs (\$/oz)	395	345	305
Total production costs (\$/oz)	600	481	426
Capital expenditure (\$ million)	91	78	32
Total number of employees	7,839	8,295	6,747
Employees	5,629	5,852	6,029
Contractors	2,210	2,443	718

\* For the eight months from May to December.

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

### Growth prospects

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

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

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

### Outlook

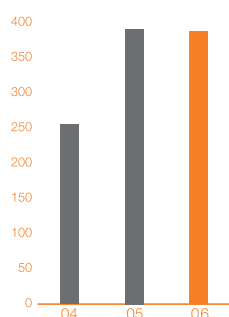
Production at Obuasi in 2007 is expected to increase marginally to 400,000 ounces. Total cash costs are expected to improve to around \$355 per ounce as a result of the implementation of cost-savings and right-sizing initiatives. Capital expenditure will decline to around \$87 million.

### Iduapriem

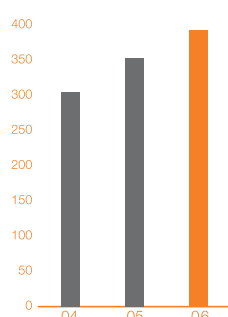
**Description:** Iduapriem mine is located in the western region of Ghana, some 70 kilometres north of the coastal city of Takoradi, and 10 kilometres south-west of Tarkwa. The mine comprises two adjacent properties, Iduapriem and Teberebie. AngloGold Ashanti has an 80% stake in Iduapriem (the remaining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

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

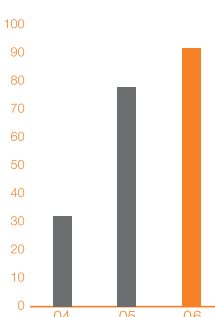
Gold production (000oz)  
Obuasi



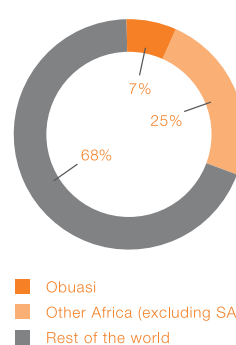
Total cash costs (\$/oz)  
Obuasi



Capital expenditure (\$m)  
Obuasi



Attributable contribution to AngloGold Ashanti production in 2006 (%)



## Review of operations – Ghana cont.

Iduapriem	2006	2005	*2004
Pay limit (oz/t)	0.050	0.023	0.022
Pay limit (g/t)	1.60	0.72	0.76
Recovered grade (oz/t)**	0.051	0.050	0.050
Recovered grade (g/t)**	1.74	1.71	1.72
Gold production (000oz) – 100%	196	205	147
Gold production (000oz) – 85%	167	174	125
Total cash costs (\$/oz)	368	348	303
Total production costs (\$/oz)	478	451	423
Capital expenditure			
(\$ million) – 100%	6	5	4
Capital expenditure			
(\$ million) – 85%	5	4	3
Total number of employees	1,251	1,283	1,306
Employees	668	698	709
Contractors	583	585	597

\* For the eight months from May to December.

\*\* Open-pit operations.

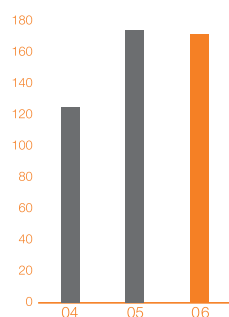
contained in the Bantket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping Bantket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

### Operating performance

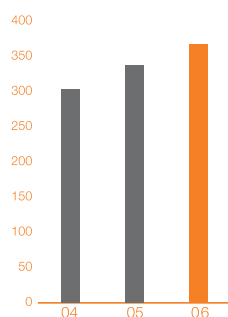
At Iduapriem, attributable gold production decreased by 4% year-on-year to 167,000 ounces following a series of mill and crusher breakdowns that affected the operation during the first two quarters of the year. Total cash costs rose by 6% to \$368 per ounce in response to the decline in production and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

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

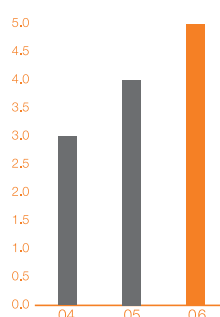
Gold production (000oz) (attributable) Iduapriem



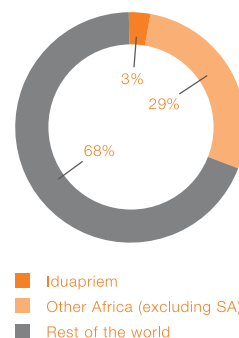
Total cash costs (\$/oz) Iduapriem



Capital expenditure (\$m) (attributable) Iduapriem



Attributable contribution to AngloGold Ashanti production in 2006 (%)



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

### Growth prospects

A plant expansion project to increase treatment capacity from 3.7 to 4.3 million tonnes a year began during the fourth quarter of 2006. The expansion is expected to be commissioned in the third quarter of 2008 at a capital cost of \$41 million.

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

### Outlook

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

Bibiani	†2006	2005	*2004
Pay limit (oz/t)	0.030	0.020	0.020
Pay limit (g/t)	0.83	0.70	0.70
Recovered grade (oz/t)**	0.016	0.042	0.056
Recovered grade (g/t)**	0.55	1.46	1.93
Gold production (000oz)	37	115	105
Total cash costs (\$/oz)	437	305	251
Total production costs (\$/oz)	464	482	369
Capital expenditure (\$ million)	–	7	7
Total number of employees	353	602	871
Employees	211	462	479
Contractors	142	140	392

\* For the eight months from May to December.

† For the 11 months from January to November.

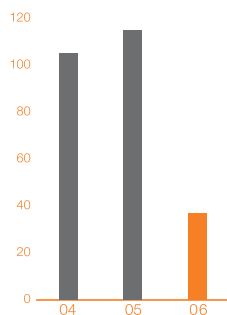
\*\* Surface and dump reclamation (2006) and open-pit operations (2004 and 2005).

### Bibiani

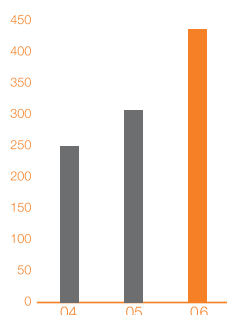
**Description:** The Bibiani mine, which is located in the western region of Ghana, 90 kilometres west of Kumasi, was restarted in 1998 as an opencast mine with a carbon-in-leach (CIL) plant.

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

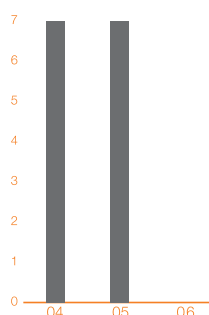
Gold production (000oz)  
Bibiani



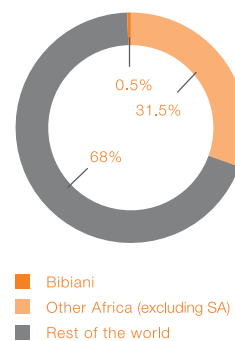
Total cash costs (\$/oz)  
Bibiani



Capital expenditure (\$m)  
Bibiani



Attributable contribution to AngloGold Ashanti production in 2006 (%)



## Review of operations – Ghana *cont.*

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

### Operating performance

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

Production declined steadily through the year in line with the forecast downscaling of the mine to a tailings-only operation. This

downscaling, combined with the effect of the sale and a series of both power outages and circuit tank breakdowns in the second quarter, resulted in attributable production for 2006 of 37,000 ounces, a 68% decrease year-on-year.

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

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

### Outlook

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

