

06

Country Report
Guinea
Sigui



ANGLOGOLD ASHANTI



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Luhembwe
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About this report

AngloGold Ashanti is committed to reporting to a broad range of stakeholders on its operational and financial performance as well as its economic, social and environmental performance.

For the 2006 financial year, AngloGold Ashanti's Annual Report comprises:

- the Annual Financial Statements, which are available on request or at (www.agareports.com); and
- the Report to Society, which is available as a printed document, and a more extensive Report to Society on our website (www.aga-reports.com) which includes additional information, including case studies and country reports, of which this is one.

Together these reports seek to present a fair and balanced reflection of the group's operation and performance, its objectives, values, business principles, and the major issues and challenges that it is facing.

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



Introduction

The Sigiri mine is AngloGold Ashanti's only operation in the Republic of Guinea in West Africa. Formerly an asset of Ghanaian-based Ashanti Goldfields, it became part of AngloGold Ashanti in April 2004 when the business combination of Ashanti and South African-based AngloGold became effective.

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Message from Christian Rampa Luhembwe

At Siguiri we consider 2006 to have been a year of achievement both operationally and in terms of our local community initiatives.

The carbon-in-pulp (CIP) plant was officially opened during April 2006 and the mine has delivered on production as promised. Gold production for the year was 301,000oz: 287,000oz from the CIP plant and 14,000oz from heap leaching.

A series of tailings pipeline failures occurred during the year which hampered the optimal performance of the plant. These failures necessitated the replacement of the pipeline, and this was completed in April 2006.

Regrettably, Siguiri suffered a multiple fatality on 10 December 2006 when two people lost their lives in a collision on the haul road towards Kami pit. Our sincere condolences are extended to the families and friends of these men.

The mine had five lost-time injuries during the year, and the Lost Time Injury Frequency Rate was 0.77, an increase of 18% on the previous year.

In another significant development Siguiri obtained ISO14001 certification in 2006 and all efforts are being directed towards maintaining, and indeed improving, our environmental performance in line with this standard.

Our contribution to the community has also improved, largely as a function of the improved gold price. Siguiri pays the Republic of Guinea a 3% royalty on revenue and a 5% royalty when the spot gold price exceeds a price of \$475, escalated at the United States Consumer Price Index from the base year of 1994. An additional 0.4% of revenue is paid as a community development levy. This 0.4% funding is controlled by a community development committee, chaired by the local prefecture, which works in conjunction with Siguiri mine's representative. The increase in the spot gold price, coupled with an impressive increase in ounces produced, resulted in a higher development tax for the year that amounted to over \$717,000 for 2006.

In addition to the mandated taxes, Siguiri mine continued to assist with various community issues. The mine agreed to provide a loan of \$1.5 million for the erection of an electric power line to the town of Siguiri. The mine also contributed to several requests from the local communities for assistance with events such as Ramadan, the pilgrimage to Mecca, and the Tabaski Feast.

As part of Siguiri's ongoing health initiatives, a Cholera Awareness Programme, which included the use of posters, live demonstrations and instruction, was run at all local villages. The HIV/AIDS Awareness Campaign continues within the local environs and the mine's chief medical officer also sits on the National Awareness Committee.

As 2006 was a year of achievement, we hope that 2007 will continue on this positive note. It is appropriate to mention here that the nationwide strike which started on 10 January 2007 and ended seven weeks later (27 February) had a very limited impact on production at Siguiri. We trust that the situation in Guinea will remain calm for the foreseeable future.

Christian Rampa Luhembwe
Managing Director: Siguiri
20 March 2007



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AngloGold Ashanti is one of the world's leading gold producers, with a varied portfolio of assets and orebody types in key gold-producing regions around the world. At the end of 2006, the company had 21 operations located in 10 countries (South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States) on four continents, together with a substantial project pipeline and a focused, global exploration programme.

AngloGold Ashanti produced 5.6Moz of gold in 2006, of which 2.6Moz (46%) came from deep level hard-rock operations in South Africa and the balance of 3Moz (54%) from the shallower and surface operations around the world. Greenfields exploration is under way in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Alaska, Russia, China, the Philippines and Laos. The group employed 61,453 people around the world.

The company has one operation – the Siguri mine – in Guinea. In 2006, total gold production in Guinea was 301,000oz (256,000oz attributable to AngloGold Ashanti). Also, in 2006, this operation employed on average 2,708 people (1,541 employees and 1,167 contractors).

AngloGold Ashanti is a values-driven organisation and our values and business principles underpin all that we do. This applies equally to our approach to sustainable development. Thus, our values guide our relations with all those that have an interest in the business – our stakeholders – and inform our business principles that govern those relationships. We measure our performance against our stated values and business principles and report our progress against these in this document.

ur profile





AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they more accurately reflect the group's purpose and the way in which it does business.

Our mission & values

AngloGold Ashanti's mission

Our business is gold. We consistently strive to create value for everyone with a stake in our company, by finding and mining gold and by developing the market for our product.

Our values

AngloGold Ashanti consistently strives to generate competitive shareholder returns. We do this by replacing profitable gold reserves and by continuously improving the performance of our key resources – our people, our assets and our product. We conduct ourselves with honesty and integrity.

We provide our employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. We embrace cultural diversity.

Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free of occupational injury and illness.

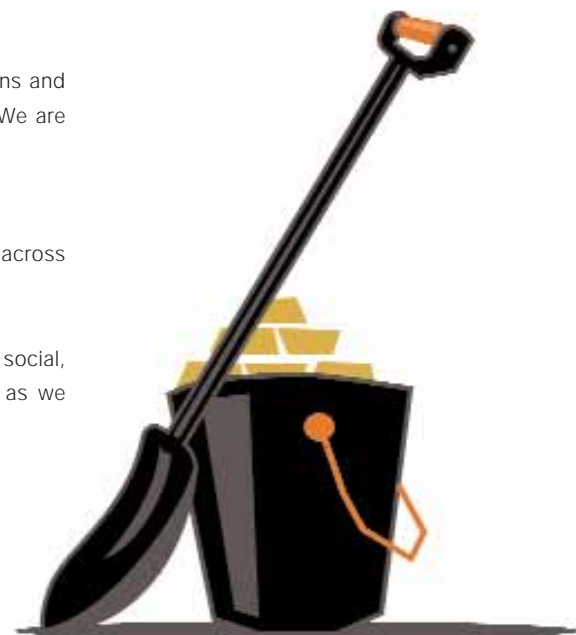
We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally responsible way.

Our business principles

We live our values through our business principles. These principles are applicable across AngloGold Ashanti and in all the countries in which we do business.

They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values. These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

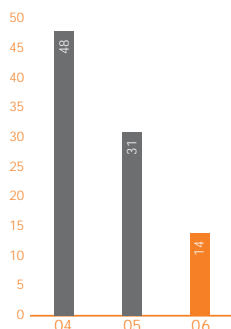
- AngloGold Ashanti – a responsible and ethical corporate citizen
- AngloGold Ashanti and the environment
- AngloGold Ashanti as an employer – safety and health
- AngloGold Ashanti in the community
- AngloGold Ashanti as an employer – labour practice



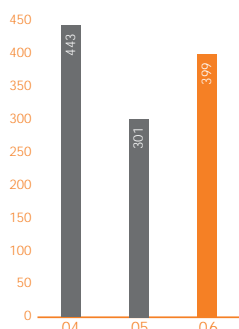
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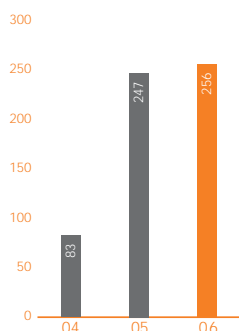
Capital expenditure (\$m)
(attributable)
Sigui



Total cash costs
(\$/oz)
Sigui



Gold production (000oz)
(attributable)
Sigui



Background

Ownership: 85% owned by AngloGold Ashanti and 15% by the government of Guinea.

Location: Sigui gold mine is situated in the Sigui district in the north-east of the Republic of Guinea, West Africa, about 850km from the capital city of Conakry. The nearest major town is Sigui (some 50,000 inhabitants), located on the banks of the Niger River.

Mining and processing: All ore and waste is mined by a mining contractor in a conventional open-pit mining operation. Ore is processed using the carbon-in-pulp (CIP) and heap-leach processes.

Geology: This concession is dominated by Proterozoic Birmanian rocks which consist of turbidite facies sedimentary sequences. Two main types of gold deposit occur in the Sigui basin: laterite or CAP mineralisation and in situ quartz-vein-related mineralisation. The former occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above, the latter. This quartz-vein-related mineralisation is hosted in meta-sediments with the better mineralisation associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralised rocks have been deeply weathered to below 100m in places to form saprolite or SAP mineralisation. The practice at Sigui 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.

Economic and financial performance

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

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

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

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

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

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Siguiri		2006	2005	*2004
Pay limit †	(oz/t)	0.03	0.017	0.017
	(g/t)	0.94	0.55	0.59
Recovered grade ††	(oz/t)	0.032	0.035	0.032
	(g/t)	1.08	1.21	1.10
Gold production	(000oz) 100%	301	289	98
	(000oz) 85%	256	246	83
Total cash costs	(\$/oz)	399	301	443
Total production costs	(\$/oz)	552	414	534
Capital expenditure	(\$ million) 100%	16	36	57
	(\$ million) 85%	14	31	48
Total number of employees		2,708	1,978	2,606
Employees		1,541	1,170	1,194
Contractors		1,167	808	1,412

† 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 including 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).

†† The recovered mineral content per unit of ore treated.

* for eight months from May to December



Government remittances

In 2006, Siguiri paid royalties of \$21.2 million.

Mineral resources and ore reserves

Ore Reserves and Mineral Resources are reported in accordance with the minimum standard described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 edition), and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the SAMREC 2000 Code). Mineral Resources are inclusive of the Ore Reserve component unless otherwise stated.

AngloGold Ashanti had Mineral Resources of 181.6Moz and Ore Reserves of 66.9Moz in December 2006. Of these, Siguiri accounted for Ore Reserves of 1.8Moz and Mineral Resources of 5.1Moz.

Siguiri	Resource category	Tonnes million	Metric		Imperial		
			Grade (g/t)	Contained Gold grams (000s)	Tons (000s)	Grade (oz/t)	Contained Gold ounces (000s)
Ore reserves* (as at 31 December 2006)	Proved	18,191	0.60	10,828	20,052	0.02	348
	Probable	52,708	0.85	45,027	58,100	0.02	1,448
	Total	70,899	0.79	55,855	78,152	0.02	1,796
Mineral resources* (as at 31 December 2006)	Measured	18,698	0.60	11,246	20,611	0.02	362
	Indicated	74,056	0.83	61,527	81,633	0.02	1,978
	Inferred	131,381	0.66	86,416	144,823	0.02	2,778
	Total	224,135	0.71	159,189	247,067	0.02	5,118

*Attributable to AngloGold Ashanti



Occupational safety and health

One of AngloGold Ashanti's core values relates to the safety and health of employees. It states that every manager and employee takes responsibility for health and safety; and all strive to create workplaces that are free from occupational injury and illness.

The company is committed to complying with all relevant occupational health and safety laws, to implementing safety and health systems based on internationally recognised standards, and to providing a working environment conducive to safety and health. While safety and health is regarded as a prime responsibility of management (from executives down to supervisors), AngloGold Ashanti strives for employee involvement and consults with employees to gain their commitment.

All the necessary resources – a system of medical surveillance and the provision of protective equipment, for example – are made available to enable compliance with the company's safety and health principles. Deliberate breaches in standards and procedures are not tolerated and risk assessments are conducted to anticipate, minimise and control occupational hazards.

Performance in terms of safety and health objectives is measured and the effects of the company's operations monitored on a regular basis. AngloGold Ashanti communicates openly on safety and health issues with employees and other stakeholders and ensures that employees at all levels receive appropriate training. Contractors are required to comply with the company's safety and health principles.

Following the liquidation of the South African-based National Occupational and Safety Association (NOSA), which was used by a number of operations in terms of specifications for safety management systems and external auditing and certification, the company is moving towards the implementation of an alternative specification, Occupational Health and Safety Assessment Series (OHSAS) 18001. The series provides both a framework for identifying business risks associated with safety and health, and guidelines for implementation and achieving certification. The series has international acceptability which facilitates benchmarking.

Managing safety and health

Regrettably, two employees lost their lives in a collision between a dump truck and a light delivery vehicle on the haul road towards Kami pit. The board and management of the company extend their deepest sympathy to the families and colleagues of those who died. That employees die or become ill during the course of their work is an area of great concern to the management and board of AngloGold Ashanti, and a great deal of attention and focus has been placed on ensuring that employees leave the company in good health at the end of their careers. The Lost Time Injury Frequency Rate was 0.77 per million man-hours worked (2005: 0.64). A total of 72 shifts were lost through injuries (65 in 2005).

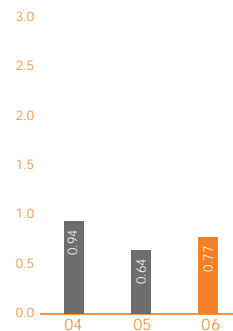
The mine falls under a number of Guinean laws and regulations: the Mining Code, the Environmental Code, the Forestry and Water Code, and the Collective Convention of Mines and Quarries. In 2006 there were no areas of non-compliance recorded by Siguiri.

All heads of department are responsible for safety in their area; all safety incidents are reported to them and they, in turn, report these incidents to the safety, health and environment manager.

There is an agreement with Confederation Nationale des Travailleurs de Guinee (CNTG), the union that represents 100% of the workforce, in respect of health and safety. Over 70% of safety, health and environment representatives drawn from the ranks of employees are involved in safety committee meetings.



LTIFR – Siguiri
(per million man-hours worked)





An internal risk assessment was carried out at the operation during the year and the results were encouraging. Where risks were identified, the tailings surface areas for instance, steps were taken to mitigate these.

The mine has an emergency preparedness plan in place that covers employees and as well as the community.

Communication and training

Sigiri believes in the importance of communication with employees on safety and health issues to create awareness and commitment to standards and best practices. Communication tools include tool box and safety committee meetings and safety bulletins.

Formal training in terms of safety, health and environment forms part of the induction process for new employees. In addition there is special training for supervisors and safety and health representatives, as well as on-the-job training for all employees. On average, a Sigiri employee spends 100 hours in safety and health training during a year.

Training

Medical surveillance

Sigiri has its own on-mine medical centre which is available for employees and their dependants. The centre, which is overseen by three doctors and has a facility for minor surgery, also provides limited services to surrounding communities.

Apart from medical assessments for all new employees (753 in 2006), there are periodical examinations to check for any signs of occupational health problems (433 in 2006) as well as tests for people being transferred and those retiring.

Safety challenges

The number of vehicle accidents on the Conakry roads and near-misses on the mine site has been a major cause for concern in 2006. Fatigue management training for drivers is a priority in the year ahead.

In memoriam – the names and details of those who died at work at Sigiri during 2006

Name	Date of accident/death	Agency (cause)	Occupation
Ibrahima Traoré	10 December 2007	Road accident	Junior foreman
Oumar Keita	10 December 2007	Road accident	Labourer

Regional health

Inherent in AngloGold Ashanti’s core values and business is a commitment on the part of the company as an employer to ease the burden for employees in the face of debilitating regional health threats. Furthermore, AngloGold Ashanti is committed to prompt and supportive action in response to any major health threats in the regions in which it operates.

The major public health threats facing the company’s operations in Africa are malaria and HIV/AIDS.

Malaria

Malaria remains a significant risk for AngloGold Ashanti operations in Guinea, Ghana, Mali and Tanzania. Despite the active intervention of international non-government organisations (NGOs), the disease has assumed epidemic proportions in these countries, largely as a result of ineffective national control measures. The disease is a major cause of death in young children and pregnant women and also gives rise to morbidity and absenteeism in adult men.

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During 2006, the reported incidence of malaria at Siguiri was 3.40% (2005: 2.10%) with 1,175 cases reported (2005: 159). The Malaria Lost Time Injury Frequency Rate (MLTIFR) was 475 per million man-hours worked (2005: 23.7). The MLTIFR allows for a comparison with the conventional LTIFR and clearly demonstrates the negative impact malaria has on productivity and health in the workforce. Although figures have been supplied for 2005, care must be exercised in making comparisons between the two years. Whereas in 2005 and earlier, only serious cases were tracked for record-keeping purposes, from 2006 all cases are being taken into consideration when statistics are compiled.

A malaria entomological audit was undertaken at Siguiri in August 2006 and a community malaria control programme is being developed to combat the disease. Currently, the mine has a number of measures in place to increase awareness of malaria and to prevent people from contracting it. These measures include:

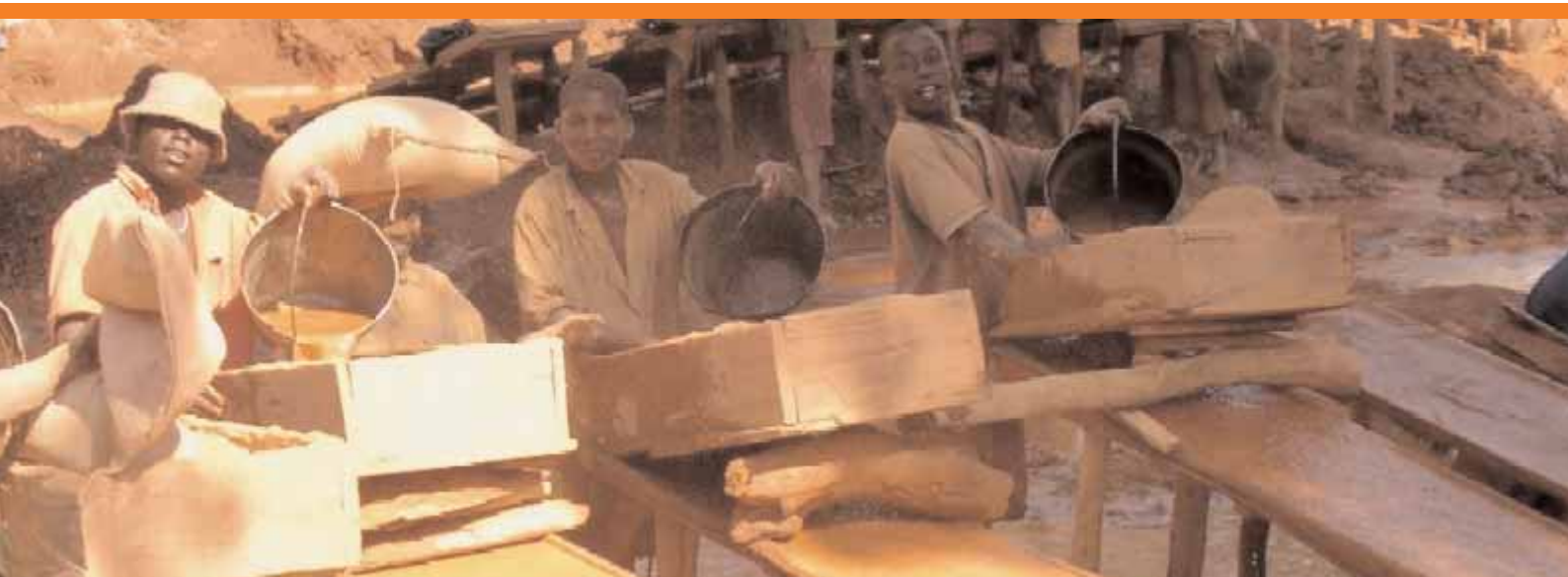
- education – at induction and during toolbox kits for employees; running awareness programmes in the surrounding villages and using community radio campaigns;
- vector control strategy – the cleaning and clearing of places where mosquito breeding is likely to occur; indoor and outdoor spraying of the residential areas; provision of insecticide impregnated bed nets to employees and their families; the use of repellent creams and appropriate clothing; the taking of preventive medication; and
- disease management – through effective diagnosis and treatment at the mine's Koron Medical Centre.

In 2006 about \$62,000 was spent at Siguiri on anti-malarial drugs.

HIV/AIDS

The national prevalence level of HIV/AIDS in Guinea is estimated at 3%. A national HIV/AIDS Committee oversees work done by individual companies, national organisations and NGOs. At Siguiri, the Comité SIDA Entreprise SAG, a committee comprising members of management, the union and local authorities, has developed an action plan for the management of HIV/AIDS.

The mine adheres to the tenets of AngloGold Ashanti's HIV/AIDS policy. Employees with HIV/AIDS are entitled to the same rights and benefits as other employees suffering from long-term illnesses or disabilities; the employee's right to confidentiality is respected; and health care is provided to all those living with HIV/AIDS at all the different stages of the disease. During 2006, 80 cases of HIV/AIDS were recorded and there were a number of deaths at the mine.



Sigiri's HIV/AIDS programme is aimed at employees and the community. Education sessions form part of the induction process and are held during tool box and union meetings, and peer educators arrange regular talks. At present there is one peer educator for every 50 employees; the aim is to have one for every 25 employees at the end of 2007. Information is spread to the wider community through the local radio station, the showing of films, and the distribution of leaflets and T-shirts.

Central to its strategy is an HIV/AIDS-sensitisation campaign that involves the promotion of voluntary counselling and testing (VCT) and the distribution of condoms with payslips. VCT is provided free of charge to employees and their families, contractor employees and community members by four trained people at the medical centre. In 2006, 407 people underwent VCT (2005: 395) and the mine spent around \$10,000 on VCT.

At present 13 employees are on anti-retroviral therapy (ART). They underwent their CD4 level tests and started their treatment at the Conakry Teaching Hospital but, from 2007, all such testing will be carried out at, and medication dispensed from, the medical centre. In 2006 the cost to the mine of ART treatment was \$18,600.

On International AIDS Day on 1 December 2006, awareness was raised through the holding of a football tournament and a concert. On that day and during the following 10 days the mine distributed 60,000 condoms and 3,100 T-shirts, as well as organising talks and films.

In 2006 the cost of Sigiri's HIV/AIDS programme as a whole was \$42,500.

Anti-cholera campaign

Cholera is endemic in Guinea and Sigiri is implementing a campaign to overcome the disease.

The mine aims to reduce significantly the incidence of cholera. Inroads have already been made by using the local radio station to transmit education and awareness messages on cholera prevention, often reaching beyond the Sigiri footprint so that, in effect, an even greater number of people benefit from the campaign.

The campaign's key education and awareness messages focus on the causes of cholera, its treatment and prevention with an emphasis on hygiene.



Human resources

One of AngloGold Ashanti's core business principles is that employees are provided with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. The company embraces cultural diversity.

AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization (ILO), ensuring the implementation of fair employment practices by prohibiting forced, compulsory or child labour. It is also committed to creating workplaces that are free of harassment and unfair discrimination. The company seeks to understand the different cultural dynamics in host communities and adapts work practices to accommodate this where doing so is possible.

All employees are given the opportunity to participate in training that will improve their workplace competency. The company is committed to developing motivated, competent and experienced teams of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.

Remuneration systems reward individual and team effort in a meaningful way. AngloGold Ashanti works with stakeholders to ensure minimum standards for company-provided accommodation; assures access to affordable health care for employees and, where possible, for their families; and is committed to prompt and supportive action in response to any major health threats in the regions where the company operates.

Employment overview

In 2006, 2,708 people were employed at Siguiri: 1,541 employees and 1,167 contractors. In line with AngloGold Ashanti's upholding of human rights conventions, freedom of association is encouraged at the mine where the union, Confederation Nationale des Travailleurs de Guinee (CNTG), represents the entire workforce. Agreements regarding bargaining and disciplinary procedures are in place.

Three days of production were lost in June through industrial action related to wage increases. The union, management and local authorities all played a part in persuading the workers to return to work.

During the year the Labour Code of Guinea was reviewed. After negotiations involving the government, the Trade Union Congress and companies, the age of retirement has been changed to 60 for junior employees and 65 for senior employees. In addition, after negotiations between mine management and CNTG, the retirement benefit has been extended.

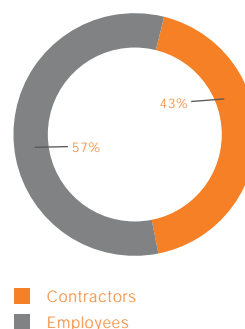
Localisation programme

AngloGold Ashanti has a group policy that encourages the employment of locals and replacement of expatriate employees over time, through skills transfer programmes and the career development of local citizens. Legislation in Guinea stipulates that priority should be given to Guinean nationals for all jobs. If a citizen of the country cannot be found for a particular position, an expatriate may be hired for a two-year contract, which may only be renewed once.

At present, expatriates make up 3.85% of the workforce. Siguiri has a localisation plan in place. This is scheduled to be reviewed in 2007 with the emphasis being placed on the following: identification of potential, talent management, succession plans, and training and development plans. Progress reviews will take place quarterly during technical visits to the mine by the regional executive team.



Number of employees and contractors



Training and development

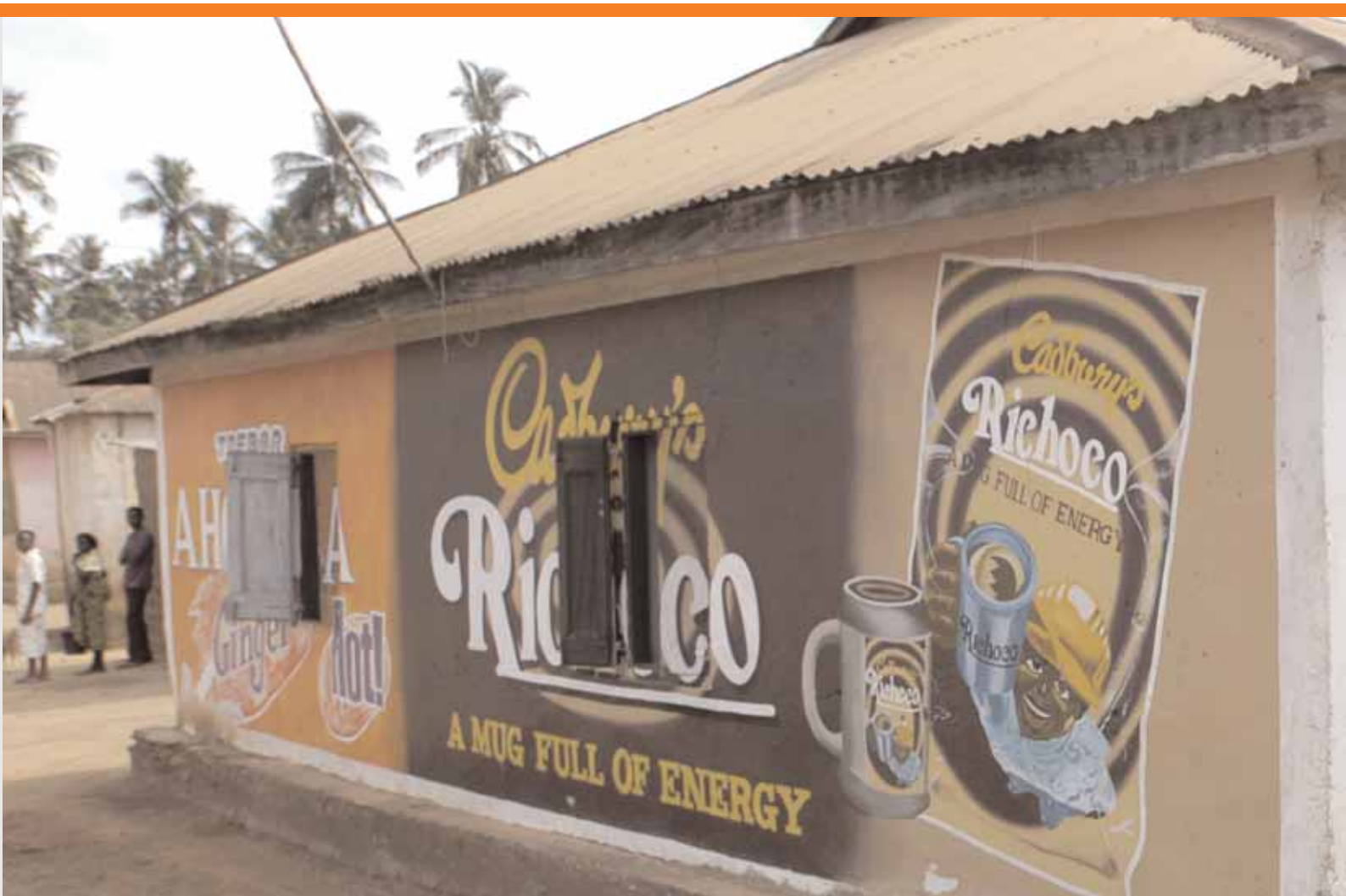
During 2006, \$248,785 was spent on training at Siguiri. Apart from job-specific and general training, there is an adult literacy programme on site and employees are able to study part-time. With a view to improving literacy and numeracy further, an Adult Basic Education and Training (ABET) Programme is scheduled to start shortly.

Departmental panel interviews are held to identify employees' potential and to plan their careers. At present there are eight employees participating in Intermediate Management Development and Management Development programmes. This cost \$60,000 in 2006.

Employee benefits

Health care is provided to all employees and their dependants (one spouse and up to four children). Employees belong to a provident fund and are entitled to a retirement benefit that is equivalent to 12 months' pay.

Senior staff are accommodated in company-owned houses.



Environment

AngloGold Ashanti is committed to working in an environmentally responsible way, recognising that the long-term sustainability of its business is dependent upon good stewardships in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources. The company complies with all the applicable environmental laws, regulations and requirements.

Committed to establishing and maintaining management systems to identify, monitor and control the environmental aspects of its activities, AngloGold conducts audits to evaluate the effectiveness of these systems and makes sure it has the financial resources available to meet its reclamation and environmental obligations. AngloGold Ashanti works continually to improve its environmental performance and to prevent pollution from its operations.

The company ensures that its employees and contractors are aware of its environmental policy, communicates and consults with interested and affected parties on the environmental aspects of its activities, and participates in debate on environmental matters at international, national and local levels.

The group environmental policy guides the broad practices of the company while site-specific policies, which are required to be consistent with group policy, direct and regulate each operation in accordance with local conditions, requirements and regulations.

AngloGold Ashanti has formally adopted ISO14001 certification as the standard for the company's environmental management system. The International Standards Organization (ISO) is a voluntary, not-for-profit network of national standards institutes from 146 countries. ISO14001 focuses on environmental management systems. Certification is based on regular auditing by an appropriately accredited external body.

AngloGold Ashanti was party to the development of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold and was one of the first signatories to the code in November 2005. Signatories to the code must have their operations audited by an independent third party to demonstrate their compliance by 2008.

The mine acquired ISO14001 certification in June 2006 and the operation has adopted the International Cyanide Management Code.

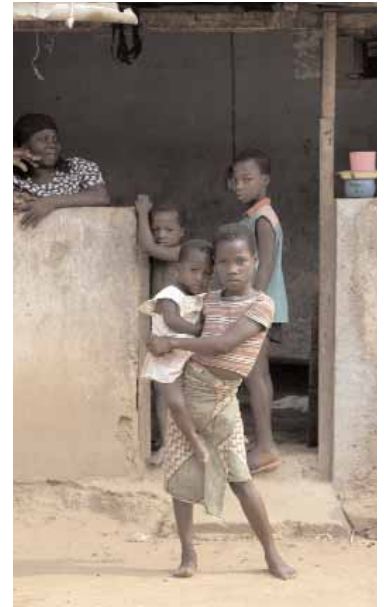
Laws, regulations and requirements

Sigiri falls under Guinea's Environmental, Mining, Forestry and Water codes, and the Collective Convention of Mines and Quarries. There were no significant areas of non-compliance recorded during 2006.

Managing environmental issues

All heads of department are responsible for environmental issues and incidents are reported to the manager of safety and the environment in the first place.

Sigiri has an environmental incident reporting process in place. Incidents are assessed according to the level of severity (three categories). Those classified on the first level are reported to government and to the AngloGold Ashanti corporate office. One major incident occurred at the mine during 2006 when, on 10 August, a CIP tank overflowed, resulting in about 3,500m³ of slurry overflowing the bund and being released into the surrounding area. The area was placed under 24-hour security and all wildlife was prevented from entering the area. The spill was detoxified with hydrogen peroxide and cleaned up. No injuries or faunal fatalities occurred.





Engaging with stakeholders and the community

Regular meetings are held with the ministries of Mines, Geology, the Environment and Hydraulics and Energy as well as the Regional and Prefectoral Environmental Division and GIRENS (Gestion Intégrée des Ressources en Eau du Niger Supérieur)*, and an annual meeting with the Chamber of Mines.

The mine's Public and Community Affairs Department has regular as well as issues-based meetings with the surrounding communities and other affected parties.

** The GIRENS project aims at developing integrated management of the upper Niger River basin, contributing to the fight against poverty and to sustainable economic development in general.*

Rehabilitation and closure

Sigüiri's current life of mine is to 2027. A total of \$28.4 million has been set aside to cover liabilities for rehabilitation (\$15.1 million) and decommissioning (\$13.3 million).

The mine manages 883ha of land, of which 166ha has been rehabilitated to date.

Fruit trees have been planted to cover disturbed land because they can provide the community with a food source. In the same way aquaculture is planned for the pits as mining activity ceases.

The rehabilitation of four dumps – Eureka, Kosise, Tubani and Sintroko – is planned for 2007 to 2009 while the Korangbe pit will be rehabilitated for aquaculture during 2007.

Key indicators

Key indicators of environmental performance for AngloGold Ashanti are:

- the use and management of cyanide;
- efficient use of resources, including water and energy;
- mine closure planning and the rehabilitation of disturbed lands; and
- the prevention of pollution, through proper waste management, and hazardous waste management practices.

In recent years, increasing attention has also been focused on issues relating to:

- climate change and greenhouse gas emissions; and
- biodiversity.

Further information may be found on our website, including a detailed breakdown of environmental performance against the GRI 2002 indicators (www.aga-reports.com/06/GRI.pdf).

Sigüiri – environmental statistics

	Usage		Efficiency (Usage/oz)	
	2006	2005	2006	2005
Cyanide usage – kg	*1,461,000	3,354,000	4.85	11.61
Water usage – m ³	**2,939,059	3,717,191	9.76	12.86
Energy use – GJ	1,959,489	***1,995,135	6.51	6.90

** Reduction in consumption is attributed to the changeover from heap-leaching gold processing to CIL and a change in pH control philosophy.*

*** The changing of the tailings pipeline from PVC to metal resulted in a big decrease in the water required for flushing the line during a pipe burst. In addition started recycling water from the tailings dam in 2006 reducing the water required by the plant.*

**** Correction to previously published 2005 data, where fuel used for mobile equipment was excluded.*

COMMUNITY

One of AngloGold Ashanti's values relates to the communities in which the company does business. This states that the company strives to form partnerships with host communities, sharing their environments, traditions and values; that it wants communities to be better off for AngloGold Ashanti having been there; and that it is committed to working in an environmentally responsible way.

With respect to communities, the company subscribes to the business principles summarised below. AngloGold Ashanti:

- aims is to have a positive impact on the people, cultures and communities in which it operates. The company will be respectful of local and indigenous people, their values, traditions, culture and the environment;
- strives to ensure that surrounding communities are informed timeously of, and where possible are involved in, developments that affect them, throughout the life cycle of the company's operations;
- undertakes social investment initiatives in the areas of need where the company can make a practical and meaningful contribution, in particular to those areas of education and health care relevant to AngloGold Ashanti's business activities, and those most likely to be sustainable after operations have closed;
- encourages its employees to make themselves available for participatory and leadership roles in the community;
- seeks to acquire and use land in a way that promotes the broadest possible consensus among interested people. Where involuntary resettlement is unavoidable, the company will abide by appropriate guidelines for resettlement, where they exist, and will work with the local communities to develop workable plans for any resettlement; and
- strives to contribute to the sustainable economic development of host communities through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.



AngloGold Ashanti is committed to engaging with non-governmental organisations (NGOs) and other stakeholders on issues of mutual concern.

The company has developed a Human Rights policy which it has asked several external agencies to comment on prior to approval by the Executive Committee. It is expected that this policy will be implemented in a phased approach by the end of 2007.

Stakeholder engagement

Established in 1999, Siguiri has a forum which meets every month and is attended by representatives of the mine's major stakeholders including the Siguiri district, the Rural Development Community Leaders, the sub-prefect and the prefecture (municipality).

Employee involvement

The mine's policies and programmes are communicated to employees through announcements and notices and they are encouraged to take up leadership and other roles in the community.

Social investment

Community social investment issues are dealt with by the Protectoral Council for the Development of Siguiri which is overseen by an international non-governmental organisation, CECI.

AngloGold Ashanti's total corporate investment expenditure in Guinea in 2006 was \$308,000. This includes the amount paid to the Prefectural Council for the development of Siguiri as part of a legally binding 0.4% revenue agreement.

Artisanal and small-scale miners

At Siguiri the threat of artisanal miners encroaching on mine property is high, particularly as mining has advanced to within close proximity of traditional artisanal mining areas, and incidents of

AngloGold Ashanti's Policy on Human Rights

AngloGold Ashanti is committed to upholding human rights at our operations and to promoting human rights in the communities and countries where we do business in line with the company's business values and business principles, which state that the company supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the ILO and the principles and values referred to in the UN Global Compact.

In 2006, AngloGold Ashanti developed a draft Policy on Human Rights which, following internal consultation, was put to a number of interested external parties. Once we have received and considered their comments, the policy will be formally reviewed by AngloGold Ashanti's Executive Committee and Board of Directors and it is anticipated that it will be adopted and implemented during 2007.

The policy builds on the commitments made in the values and business principles and is in line with the company's commitment to adhere to the Voluntary Principles on Security and Human Rights of which it has applied to become a signatory.

The Voluntary Principles (<http://www.voluntaryprinciples.org/>) were developed out of a multi-stakeholder process involving governments, extractive companies and NGOs in late 2000 as a means of helping companies in the extractive sector to improve performance in relation to security-risk assessment and the control of security operatives, and to improve relations with communities over security issues. Accordingly, they focus on three main areas: risk assessment, interactions between companies and public security, and interactions between companies and private security. The secretariat to the Voluntary Principles is provided jointly by the International Business Leaders Forum (IBLF) in London (<http://www.iblf.org/>) and Business for Social Responsibility (BSR) in San Francisco (<http://www.bsr.org/>).

In addition, work is being done to develop group-wide security and human rights training to be rolled out across the company and we will continue this during 2007.

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vandalism and armed attacks have occurred. A policy is in place with regard to engagement with artisanal miners by security personnel and specifies that any illegal miners detained by security personnel must be handed over to the local authorities as soon as possible to allow for the legal process to take its course. The mine also communicates with artisanal miners and community members with regard to safety and health and ways are being sought to establish peaceful co-existence between large- and small-scale mining (*see case study in Report to Society 2006: AngloGold Ashanti's approach to artisanal and small-scale mining*).

Local economic development

Local economic upliftment and the development of alternative livelihoods is a fundamental focus of AngloGold Ashanti's corporate social responsibility programme in West Africa. Not only do such initiatives ensure the sustainability of areas after mining ceases but they are also a way of addressing the issue of illegal mining by offering those engaged in such activities with other ways of earning a living.

Agriculture is the chief focus and the mine is encouraging villagers in the cultivation of vegetables, cassava and cashew nuts, and in the production of honey.

Awards

The World Bank has acknowledged Siguiri as the best mining company in Guinea in terms of community development.

The mine has received a certificate from the National Cell for the Promotion of the Actions of the President in recognition of its efforts.

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Feedback: We welcome your feedback on our Report to Society 2006 and this country report. A feedback form may be found on our reports website at www.aga-reports.com