

## Group information

### Current profile

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

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

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

### History and development of the company

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

### AngloGold Limited

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



## Group information cont.

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

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

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

Subsequent to its formation:

- AngloGold purchased Minorco's gold interests in North and South America with effect from 31 March 1999.
- With effect from 31 December 1999, AngloGold acquired Acacia

Resources in Australia. A total of 18,020,776 AngloGold shares were issued in the transaction.

- With effect from 3 July 2000, AngloGold acquired a 40% interest in the Morila mine in Mali from Randgold Resources Limited.
- On 15 December 2000, AngloGold acquired a 50% interest in the Geita mine in Tanzania from Ashanti Goldfields Company Limited. Following the business combination, Ashanti's 50% interest was acquired.
- In 2000, in support of its market development initiatives, AngloGold acquired a 25% interest in OroAfrica, South Africa's largest manufacturer of gold jewellery and a 33% holding in Gold Avenue, an e-commerce business in gold. Gold Avenue continued to sell gold jewellery by catalogue and through the internet until early 2004, when it was wound up.
- On 9 April 2001, the sale to Harmony Gold Mining Company Limited of the Elandsrand and Deelkraal mines for R872 million (\$109 million) became unconditional.
- In January 1998, the No. 2 Shaft Vaal River Operations was tributed to African Rainbow Minerals (currently Harmony Gold Mining Company Limited) (ARM) on the basis that 40% of all revenue, costs and capital expenditure would be attributable to ARM, with the balance to AngloGold. On 1 July 2001, AngloGold disposed of its interests in No. 2 Shaft Vaal River Operations to ARM for R10 million (\$1 million).
- On 5 September 2001, AngloGold announced that it was to make a take-over offer for Normandy Mining Limited (Normandy), Australia's largest listed gold mining company. Arising from the offer, 6,869,602 AngloGold ordinary shares were issued. This excluded 143,630 AngloGold ordinary shares issued under the top-up facility to Normandy shareholders. The take-over offer did not come to fruition and the Normandy shares acquired were sold on the market on 21 January 2002 realising a total of \$158 million.

- On 1 January 2002, the sale of AngloGold's Free State assets to ARM and Harmony, through a jointly-owned company, for a net consideration of R2,523 million (\$229 million) (including tax payable by AngloGold and net of contractual obligations), became effective.
- During July 2002, AngloGold acquired an additional 46.25% of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, for a net consideration of \$97 million, increasing its interest in Cerro Vanguardia to 92.5%.
- AngloGold disposed of its wholly owned subsidiary, Stone and Allied Industries (O.F.S.) Limited, a stone-crushing company, to a joint venture of that company's existing management and a group of black entrepreneurs, with effect from 1 October 2002, for a consideration of R5 million.
- On 23 May 2003, AngloGold announced that it had signed an agreement to sell its wholly owned Amapari project to Mineração Pedra Branca do Amapari for a total consideration of \$18 million. The effective date of the transaction was 19 May 2003. The Amapari project is located in the State of Amapá, in northern Brazil. Since acquiring the property as part of the Minorco transaction, AngloGold sought to prove up additional reserve ounces so as to achieve a size and life span that would justify the management resources needed to run it effectively. This was not achieved and AngloGold, on receiving an offer from a purchaser who could constructively turn this orebody to account, agreed to sell.
- On 6 June 2003, AngloGold announced that it had finalised the sale of its 49% stake in the Gawler Craton Joint Venture, including the Tunkillia project located in South Australia to Helix Resources Limited. Consideration for the sale comprised cash of \$500,000 (A\$750,000), 1.25 million fully paid Helix shares issued at A\$0.20 per share and 1.25 million Helix options exercisable at A\$0.25 per option before 30 November 2005 with an additional payment of \$335,000 (A\$500,000) deferred to the delineation of a mineable resource of 350,000 ounces. Helix's proposed acquisition of AngloGold's rights to the Tarcoola project, 60 kilometres to the south, was excluded from the final agreement. This resulted in a restructure of the terms of the original agreement as announced on 8 April 2003. On 23 April 2005, the company received a further 416,667 fully paid Helix shares and 37,281 Helix options following a rights issue. The company did not exercise its rights in terms of the Helix options which expired on 30 November 2005.
- On 2 July 2003, AngloGold announced that it had concluded the sale of its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc., effective 30 June 2003. Queenstake paid the Jerritt Canyon Joint Venture partners, AngloGold and Meridian Gold, \$1.5 million in cash and 32 million shares issued by a subsidiary, Queenstake Resources Limited, with \$6 million in deferred payments and \$4 million in future royalties. Queenstake accepted full closure and rehabilitation liabilities. The shares acquired by AngloGold in this transaction, were sold in November 2003.
- On 8 July 2003, AngloGold disposed of its entire investment of 8,348,600 shares held in East African Gold Mines Limited for a consideration of \$25 million and in the second half of 2003 AngloGold disposed of 952,481 shares in Randgold Resources Limited for a consideration of \$23 million.
- On 18 September 2003, AngloGold and Gold Fields Limited jointly announced that agreement had been reached on the sale by Gold Fields of a portion of the Driefontein mining area in South Africa to AngloGold for a cash consideration of R315 million (\$48 million).
- On 20 January 2004, AngloGold announced that it had received a cash payment of A\$4 million (\$3 million) and 25 million fully paid ordinary shares from Tanami Gold NL in Australia, as consideration

## Group information *cont.*

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

- The business combination between AngloGold and Ashanti Goldfields Company Limited, initially announced on 16 May 2003, was completed with effect from Monday, 26 April 2004, following the confirmation by the High Court in Ghana on Friday, 23 April 2004, of the scheme of arrangements, in terms of which AngloGold acquired the entire issued share capital of Ashanti. In terms of the business combination, Ashanti shareholders received 0.29 ordinary shares or

0.29 ADSs of AngloGold for every Ashanti share or Ashanti GDS (Global Depositary Security) held. Each ADS represents one AngloGold ordinary share. Ashanti became a private company and a wholly owned subsidiary of AngloGold, and AngloGold changed its name to AngloGold Ashanti Limited on 26 April 2004, the effective date of the transaction. As a result of the business combination, a total of 38,400,021 ordinary shares were issued to Ashanti shareholders, 75,731 ordinary shares were issued to Ashanti warrant holders and 2,658,000 ordinary shares were issued to the government of Ghana in fulfillment of the agreements and undertakings contained in the Stability Agreement during 2004.

- Following the business combination, \$75 million of Mandatory Exchangeable Notes issued by Ashanti were redeemed.
- On 27 February 2004, AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of \$1 billion principal amount 2,375% convertible bonds, due 2009. The bonds are guaranteed by AngloGold Ashanti.
- On 1 July 2004, AngloGold Ashanti announced that it had entered into an agreement with Trans-Siberian Gold plc (TSG)



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

- On 5 August 2004, AngloGold Ashanti announced the sale of its Union Reefs assets to the Burnside Joint Venture, comprising subsidiaries of Northern Gold NL (50%) and Harmony Gold Mining Company Limited (50%), for a total consideration of A\$4 million (\$2 million). The Burnside Joint Venture is responsible for all future obligations associated with the assets, including remaining site rehabilitation and reclamation.
- In a joint announcement on 10 September 2004, AngloGold Ashanti confirmed its agreement to sell its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited for a deferred consideration of \$2 million. The sole operating asset of Ashanti Goldfields Zimbabwe Limited was the Freda-Rebecca Gold Mine. The sale was effective on 1 September 2004.
- On 11 October 2004, AngloGold Ashanti announced that it had signed an agreement with Philippines explorer Red 5 Limited to subscribe for a 12.3% stake in the expanded issued capital of Red 5 Limited for a cash consideration of A\$5 million (\$4 million). The placement was to be used to fund the exploration activities situated next to the current mineral



## Group information *cont.*

resources at the Siana Project, and to test the nearby porphyry gold-copper targets in the Surigao region of the Republic of the Philippines. On 26 August 2005, AngloGold Ashanti subscribed for additional shares in Red 5 Limited, for a cash consideration of A\$0.8 million (\$0.6 million), thereby increasing its holding to 14.1%. AngloGold Ashanti now holds 13% in Red 5 Limited, after the dilution in the shareholding resulting from the increase in issued share capital. For a period of two years commencing in October 2004, AngloGold Ashanti had the right to enter into Joint Venture arrangements on Red 5's tenements (excluding their Siana project) with the potential to earn up to a 67.5% interest in areas of interest through further investment in exploration in these Joint Venture areas. On 18 September 2006, AngloGold Ashanti elected to exercise a second Joint Venture option with Red 5 Limited – the Outer Siena Joint Venture, located to the south-east of Boyongan – in terms of which the company will spend a minimum of A\$1.5 million (\$1.2 million) in the first year with no interest. The company however may earn between 52% and 58.5% interest in two tenements through an additional expenditure of A\$4 million (\$3 million), with a right to increase its holding by 8% to 9% through an additional spend of A\$5 million (\$4 million).

- In 2004, Queenstake approached the Jerritt Canyon Joint Venture partners, AngloGold and Meridian Gold, about the possibility of monetising all or at least a majority of the \$6 million in deferred payments and \$4 million in future royalties, payable in the concluded sale of AngloGold's interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc., effective 30 June 2003. Based on the agreement reached between the parties, on 25 August 2004, AngloGold Ashanti was paid approximately \$7 million for its portion of the deferred payments and future royalties, thereby monetising all outstanding obligations, except for a minor potential royalty interest that AngloGold Ashanti retained.
- Agreement was reached to sell AngloGold Ashanti's 40% equity interest in Tameng Mining and Exploration (Pty) Limited of South Africa (Tameng) to Mahube Mining (Pty) Limited for a cash consideration of R20 million (\$3 million). Tameng owns certain mineral rights in Platinum Group Metals (PGMs) on the farm Locatie Van M'Phatlele KS 457, on the northern limb of the Bushveld Complex in the Limpopo Province in South Africa. The sale was effective on 1 September 2004.
- AngloGold Ashanti completed a substantial restructuring of its hedge book in January 2005, details of which are available in the December 2004 quarterly report which is available on the corporate website.
- On 26 January 2005, AngloGold Ashanti signed a three-year revolving credit facility for \$700 million.
- On 29 April 2005, AngloGold Ashanti announced the conditional sale of exploration assets in the Laverton area in Australia, comprising the Sickle royalty of \$30 per ounce, the Child Harold prospect, various 100% AngloGold Ashanti Australia- owned interests including the Lord Byron and Fish projects as well as its interests in the Jubilee, Black Swan and Jasper Hills joint ventures to Crescent Gold Limited, for a total consideration of A\$4 million (\$3 million). The transaction was concluded in December 2006.
- On 19 July 2005, Aflase Gold and Uranium Resources Limited (Aflase) announced that it had purchased from AngloGold Ashanti, its Weltevreden mine in exchange for Aflase shares in a transaction valued at R75 million (\$11 million). On 19 December 2005, Aflase was acquired by srx Uranium One Incorporated (formerly Southern Cross Incorporated).
- The Director-General of Minerals and Energy notified AngloGold Ashanti in August 2005 that application for the new order mining rights in terms of the South African Mineral Resources and Petroleum Development Act had been granted. AngloGold Ashanti is of the conviction that the new

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

- On 11 August 2005, AngloGold Ashanti announced that it had disposed of its La Rescatada project to ARUNANI SAC, a local Peruvian corporation, for a total consideration of \$12.5 million, with an option to repurchase 60% of the project should economically viable reserves in excess of 2 million ounces be identified within three years. The exploration project is located approximately 800 kilometres south-east of the city of Lima in Peru.
- On 27 February 2006, AngloGold Ashanti announced that it had signed an agreement with China explorer, Dynasty Gold Corporation, to acquire an effective stake of 8.7% in that company, through the purchase of 5.75 million Dynasty units at a price of C\$0.40 each. Each unit will consist of one ordinary share and one-half ordinary share purchase warrant, exercisable at a price of C\$0.60 per unit for two years.
- On 10 April 2006, AngloGold Ashanti's shareholders in a general meeting gave authority to the directors to allot sufficient ordinary shares of the company to allow it to raise \$500 million before expenses but after underwriters fees in a private offering. On the same day AngloGold Ashanti announced that its offering of 9,970,732 ordinary shares had been priced at \$51.25 per ADS and R315.19 per ordinary share.
- On 1 June 2006, AngloGold Ashanti and Bema Gold Corporation announced that they will form a new company which will jointly explore a select group of AngloGold Ashanti's mineral opportunities located in Northern Colombia, with initial work focused on the La Mina and El Pino targets. As part of the agreement, AngloGold Ashanti has initially agreed to provide a minimum of eight exploration properties while Bema will provide a minimum of \$5 million in exploration funding.
- On 30 June 2006, AngloGold Ashanti (U.S.A.) Exploration Inc. (AngloGold Ashanti), International Tower Hill Mines Ltd (ITH) and Talon Gold Alaska, Inc. (Talon), a wholly-owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby AngloGold Ashanti sold to Talon a 100% interest in six Alaskan mineral exploration properties and associated databases in return for 5,997,295 ordinary shares of ITH stock, representing an approximate 19.99% interest in ITH. The sales transaction was closed on 4 August 2006. AngloGold Ashanti also granted to ITH the exclusive option to acquire a 60% interest in each of its LMS and Terra projects by incurring \$3 million of exploration expenditure on each project (total of \$6 million) within four years of the grant date of the options. As part of the two option agreements, AngloGold Ashanti will have the option to increase or dilute its stake in these projects, subject to certain conditions.
- On 14 July 2006, AngloGold Ashanti announced the signing of a Heads of Agreement with Antofagasta plc to jointly explore a highly prospective belt in Southern Colombia for new gold and copper deposits. AngloGold Ashanti will include all of its mineral applications, contracts and third party contracts within the area of interest in the new joint venture, while Antofagasta will commit to fund a minimum of \$1million of exploration within 12 months of the signing of the agreement, with an option to invest an additional \$7 million within four years in order to earn-in to 50% of the joint venture. Both AngloGold Ashanti and Antofagasta will have the right to increase their interests by 20% in copper-dominant and gold-dominant properties subject to certain conditions.
- On 23 August 2006, AngloGold Ashanti announced that it had entered into an agreement with Central African Gold plc (CAG)

## Group information *cont.*

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

- On 30 August 2006, AngloGold Ashanti announced that it had been advised by the Volta River Authority (VRA) of potential power shortages at its Ghanaian operations due to water shortages impacting the VRA's power generating facilities. This announcement was followed by an update on 6 September 2006 in which AngloGold Ashanti announced that following discussions between the VRA and the Chamber of Mines in

Ghana, the industry had agreed to collaborate with the authority and the government of Ghana in a range of activities designed to minimise the impact of the power shortages on the economy and the mining industry and to provide for a sustainable solution in the future. At the same time, AngloGold Ashanti provided guidance to investors as to the potential impact of the power shortages on production at its three Ghanaian operations should the situation be prolonged.

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



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

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

shares on behalf of the employees participating in the employee share ownership plan, and Izingwe Holdings (Pty) Limited.

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

