

Review of operations – Mali

AngloGold Ashanti has interests in three operations in Mali:

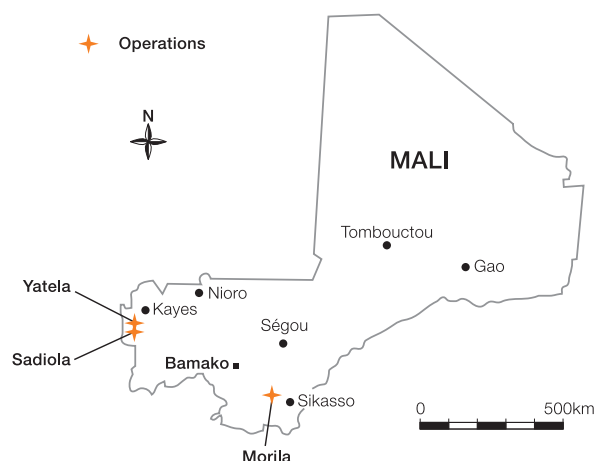
- Sadiola (AngloGold Ashanti: 38%; IAMGOLD: 38%; government of Mali: 18%; and International Finance Corporation: 6%),
- Yatela (owned by Société d'Exploitation des Mines d'Or de Yatela SA in which AngloGold Ashanti holds 40%, IAMGOLD, 40% and government of Mali, 20%); and
- Morila Joint Venture (AngloGold Ashanti: 40%, Randgold Resources Limited: 40% and government of Mali: 20%). All three mines are operated by AngloGold Ashanti.

In 2006, the Malian operations produced 537,000 attributable ounces at total cash costs of \$270 per ounce (Sadiola), \$228 per ounce (Yatela), and \$275 per ounce (Morila).

Sadiola

Description: AngloGold Ashanti manages the Sadiola mine, which is situated within the Sadiola exploitation area in western Mali. The mine is situated 77 kilometres south of the regional capital of Kayes.

Geology: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the Kenieba Window. The specific rocks that host the mineralisation are marbles and greywackes which have been intensely weathered to a maximum depth of 200 metres. A series of north-south trending faults occurs that feeds the Sadiola mineralisation. As a result of an east-west regional compression event, deformation occurs along a north-south striking marble-greywacke contact, increasing the porosity of this zone. North-east striking structures, which intersect the north-south contact, have introduced mineralisation, mainly with the marble where the porosity was greatest.



The Sadiola Hill deposit generally consists of two zones, an upper oxidised cap and an underlying sulphide zone. From 1996 until 2002, shallow saprolite oxide ore was the primary ore source. Since 2002, the deeper saprolitic sulphide ore has been mined and will progressively replace the depleting oxide reserves.

Operating performance

Attributable gold production increased by 13% year-on-year to 190,000 ounces in spite of a tailings pipeline replacement that negatively affected tonnage throughput in the first quarter. Most of the production improvement was related to steady treatment plant operations and the higher yields achieved as a result of improved metallurgical recovery on oxide ore and the increased treatment of higher grade sulphide ore.

Total cash costs rose by 2% to \$270 per ounce, mainly owing to increased royalty payments arising from the higher gold price.

Review of operations – Mali cont.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts more than doubled to \$49 million. The higher costs were offset by increases both in production and, more significantly, in the price received.

Capital expenditure decreased by 43% to \$4 million. The main areas of expenditure were additional fleet mobilisation charges, brownfields exploration and mining contract renewal costs.

Growth prospects

A recently completed pre-feasibility study showed that the hard sulphide ore below the current mining horizon can be mined economically at proven metallurgical recoveries. Additional test work is being conducted to enhance recoveries and a feasibility study is planned to begin early in 2007.

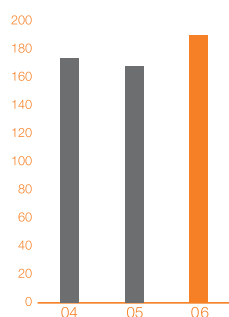
Outlook

In 2007, attributable production at Sadiola is expected to decline to around 170,000 ounces. Total cash costs are forecast to increase to about \$364 per ounce as a result of the higher cost of treating the harder sulphide ore, which will make up a greater proportion of the total ore treated in 2007. Attributable capital expenditure will increase

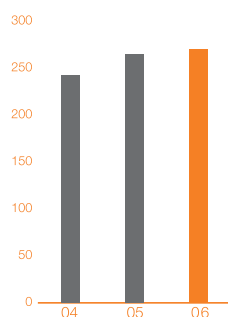
Sadiola	2006	2005	2004
Pay limit (oz/t)	0.06	0.05	0.06
Pay limit (g/t)	1.98	1.80	1.76
Recovered grade (oz/t)	0.094	0.080	0.081
Recovered grade g/t	3.22	2.73	2.77
Gold production (000oz)			
– 100%	500	442	459
Gold production (000oz) – 38%	190	168	174
Total cash costs (\$/oz)	270	265	242
Total production costs (\$/oz)	335	336	301
Capital expenditure (\$ million) 100%	11	18	16
Capital expenditure (\$ million) 38%	4	7	6
Total number of employees	1,294	1,245	1,159
Employees	589	584	550
Contractors	705	661	609

to \$7 million and will be primarily spent on brownfields exploration to convert deep sulphides from inferred status to indicated status, and on the exploration of satellite pits. The remaining capital expenditure will

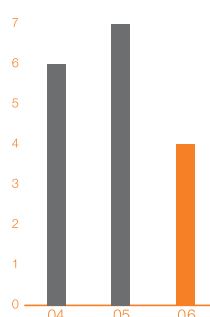
Gold production (000oz) (attributable) Sadiola



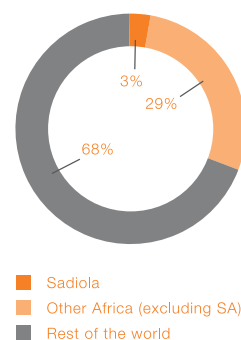
Total cash costs (\$/oz) Sadiola



Capital expenditure (\$m) (attributable) Sadiola



Attributable contribution to AngloGold Ashanti production in 2006 (%)



be allotted to the deep sulphides feasibility study, the installation of a gravity circuit and camp relocation costs.

Yatela

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

Geology: Yatela mineralisation occurs as a keel-shaped body in Birimian metacarbonates. The 'keel' is centred on a fault which was the feeder for the original mesothermal mineralisation, with an associated weakly mineralised diorite intrusion. Mineralisation occurs as a layer along the sides and in the bottom of the 'keel'. The ore dips almost vertically on the west limb and more gently towards the west on the east limb, with tight closure to the south.

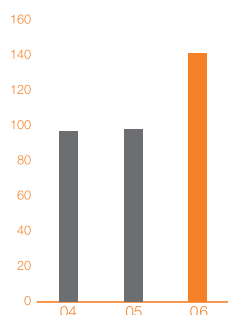
Operating performance

Attributable production rose significantly to 141,000 ounces owing to a 38% increase in grade, from 2.99g/t in 2005 to 4.12g/t in 2006. Total cash costs declined by 13% to \$228 per ounce. This was the result of a favourable grade which was partially offset by a rise in operating costs as a result of a change at the beginning of the

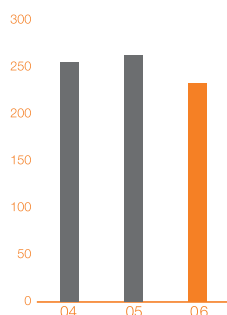
Yatela	2006	2005	2004
Pay limit (oz/t)	0.06	0.05	0.06
Pay limit (g/t)	1.79	1.66	1.96
Recovered grade (oz/t)	0.120	0.087	0.099
Recovered grade g/t	4.12	2.99	3.41
Gold production (000oz) 100%	352	246	242
Gold production (000oz) 40%	141	98	97
Total cash costs (\$/oz)	228	263	255
Total production costs (\$/oz)	299	340	323
Capital expenditure (\$ million) (100%)	3	5	7
Capital expenditure (\$ million) (40%)	1	2	3
Total number of employees	878	910	1,033
Employees	203	210	208
Contractors	675	700	825

year from top-lift stacking of the heap-leach pad to bottom-lift stacking, which necessitated increased cement consumption.

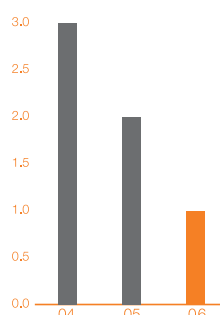
Gold production (000oz) (attributable) Yatela



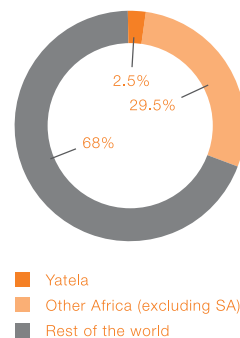
Total cash costs (\$/oz) Yatela



Capital expenditure (\$m) (attributable) Yatela



Attributable contribution to AngloGold Ashanti production in 2006 (%)



Review of operations – Mali cont.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts, at \$44 million, was 300% higher than in 2005 due to the 35% improvement in the price received and the increase in production.

Capital expenditure of \$1 million was 50% lower than that of the previous year and was incurred mainly on the construction of an additional leach pad.

Growth prospects

Mining of heap-leachable ore will cease in mid-2010 after which leaching and rinsing of the heaps will continue for some months. The potential for a small amount of sulphide ore below the existing Alamoutala deposit to be treated at Sadiola is being investigated.

Outlook

Attributable production at Yatela is expected to decline in 2007 to around 110,000 ounces, as the seventh push-back of the pit to access the next level of higher-grade ore gets under way. Total cash costs are forecast to increase to approximately \$326 per ounce. Attributable capital expenditure is also expected to rise to approximately \$2 million. This will be primarily spent on additional

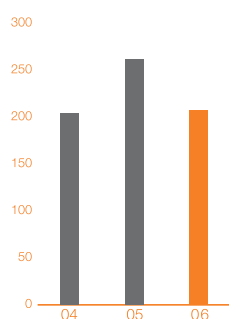
Morila	2006	2005	2004
Pay limit (oz/t)	0.08	0.07	0.09
Pay limit (g/t)	2.41	2.27	2.81
Recovered grade (oz/t)	0.113	0.158	0.130
Recovered grade (g/t)	3.88	5.41	4.44
Gold production (000oz) – 100%	517	655	510
Gold production (000oz) – 40%	207	262	204
Total cash costs (\$/oz)	275	191	184
Total production costs (\$/oz)	349	293	263
Capital expenditure (\$ million) 100%	3	5	4
Capital expenditure (\$ million) 40%	1	2	2
Total number of employees	1,575	1,183	1,398
Employees	500	478	479
Contractors	1,075	705	919

leach pads to accommodate production from the push-back seven project.

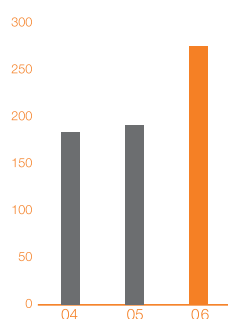
Morila

Description: Morila is situated some 180 kilometres by road south-east of the capital of Mali, Bamako.

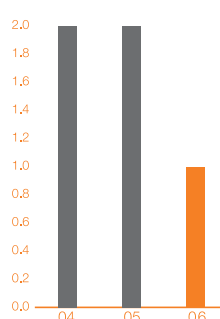
Gold production (000oz) (attributable) Morila



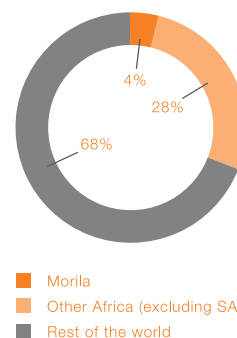
Total cash costs (\$/oz) Morila



Capital expenditure (\$m) (attributable) Morila



Attributable contribution to AngloGold Ashanti production in 2006 (%)



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

Operating performance

Gold production at Morila declined significantly this year, from 262,000 attributable ounces in 2005 to 207,000 ounces in 2006. This was as a result of a general decrease in grade at the operation, from 5.41g/t to 3.88g/t, together with a major mill re-lining undertaken in the second quarter of the year that negatively affected tonnage throughput. There was a consequent 44% increase in total cash costs to \$275 per ounce for the year.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts rose by 33% to \$52 million as a result of the significant improvement in the price received for the year.

Capital expenditure was halved to \$1 million and was spent on various small projects, including a minor plant upgrade.

Growth prospects

A regional drilling programme to discover another significant orebody is being conducted over a period of two years at a cost of \$6 million.

Outlook

In 2007, attributable production at Morila is anticipated to decline slightly to 200,000 ounces while, given inflation and declining grades, total cash costs are expected to increase to approximately \$297 per ounce. In terms of the current plan, mining will continue until early 2009, after which treatment of stockpiled ore will continue for another three years. Attributable capital expenditure for 2007 will increase to \$4 million and will be spent primarily on converting the current power plant to heavy fuel oil usage. This is expected to have a positive effect on operating costs.

