

Review of operations – United States of America

Cripple Creek & Victor (CC&V) is AngloGold Ashanti's only operation in the United States and is located in the state of Colorado. The mine is 67% owned by AngloGold Ashanti with a 100% interest in the gold produced until loans extended to the joint venture are repaid. CC&V produced 283,000 ounces of gold at a total cash cost of \$248 per ounce in 2006.

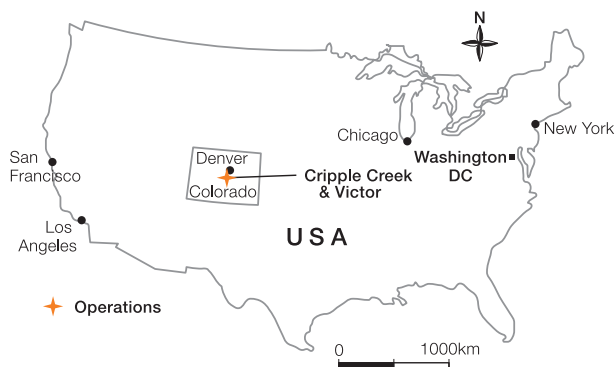
AngloGold Ashanti also owns the Big Springs property in Nevada, which is currently in the final stages of reclamation and closure.

Cripple Creek & Victor

Description: CC&V is an open-pit operation located south-west of Colorado Springs in the state of Colorado.

Geology: The district of Cripple Creek is centred on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometres, and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite, quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently localised the formation of the Tertiary-aged, volcanic complex. The majority of the complex is filled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of Tertiary-aged intrusive dykes and sills that included syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations as do laccoliths and cryptodomes. District structures are generally near vertical and strike north-north-west to north-east. These structures are commonly intruded by phonolite dykes which appear to have also acted as primary conduits for the late-stage, gold mineralising solutions. Higher grade pods of mineralisation occur at structural intersections and/or as sheeted vein zones along zones of strike deflection. High-grade gold



mineralisation is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralisation occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 metres and is also developed along major structural zones to even greater depths. Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralisation can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Operating performance

CC&V produced 283,000 ounces of gold in 2006, 14% less than in 2005, principally as a result of reduced rainfall in the region and the consequent reduction in irrigation of the heap-leach pad.

Total cash costs were \$248 per ounce, an increase of 8% over those of 2005, primarily as a result of higher prices of consumables and greater mining activity, which resulted in the placement of 14% more tonnes of ore on the leach pad. The impact of the higher costs, however, was partially offset by the associated increase in recoverable ounces placed on the leach pad. By the end of 2006, the water shortage issue had been addressed and gold production had returned to normal levels.

Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts increased by 35% to \$23 million for the year, principally as a result of the higher price received.

Capital expenditure of \$13 million was 63% higher than that of the previous year and was spent mainly on increased brownfields exploration and upgrading the operation's water delivery systems.

Growth prospects

CC&V has begun a feasibility study to examine the viability of a proposed mine-life extension project which, as currently conceived, would involve the staged construction of an additional heap-leach facility together with the development of new ore sources within the existing claims. Critical path activities include additional reserve

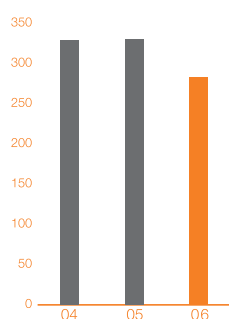
Cripple Creek & Victor	2006	2005	2004
Pay limit (oz/t)	0.01	0.01	0.01
Pay limit (g/t)	0.34	0.34	0.34
Recovered grade (oz/t)	0.016	0.018	0.018
Recovered grade (g/t)	0.54	0.62	0.61
Gold production (000oz)	283	330	329
Total cash costs (\$/oz)	248	230	220
Total production costs (\$/oz)	356	333	300
Capital expenditure (\$ million)	13	8	16
Total number of employees	369	357	387
Employees	325	313	313
Contractors	44	44	74

definition drilling, engineering and permitting. The proposed project has the potential to extend the mine life by as much as 10 years at current production rates.

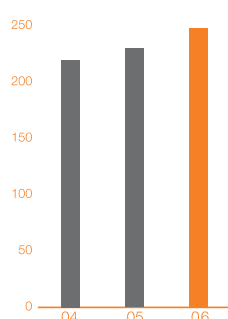
Outlook

In 2007, CC&V gold production is expected to increase to 310,000 ounces, as water levels within the leach pad are optimised. Total cash costs are likely to increase to \$267 per ounce, mainly owing to the rising cost of commodity inputs. Total capital expenditure is anticipated to be significantly higher at \$25 million, the bulk of which will be spent on the mine-life extension project.

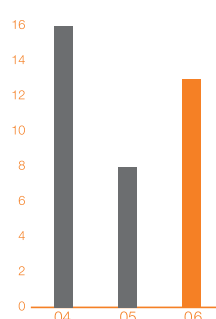
Gold production (000oz)
CC&V



Total cash costs (\$/oz)
CC&V



Capital expenditure (\$m)
CC&V



Attributable contribution to AngloGold Ashanti production in 2006 (%)

