ANGLOGOLD ASHANTI LTD
Form 20-F
May 19, 2008
As filed with the Securities and Exchange Commission on May 19, 2008

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF
1934 OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

**FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007**

Commission file number: 1-14846

**AngloGold Ashanti Limited**

(Exact Name of Registrant as Specified in its Charter)

**Republic of South Africa**

(Jurisdiction of Incorporation or Organization)

**76 Jeppe Street**
**Newtown, Johannesburg, 2001**
**(P.O. Box 62117, Marshalltown, 2107)**
**South Africa**

(Address of Principal Executive Offices)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class
Name of each exchange on which registered
American Depositary Shares
New York Stock Exchange
Ordinary Shares
New York Stock Exchange*

* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities
and Exchange Commission

**Securities registered pursuant to Section 12(g) of the Act:**

None

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by
the annual report:

Ordinary Shares of 25 ZAR cents each
277,457,471
E Ordinary Shares of 25 ZAR cents each
4,140,230
A Redeemable Preference Shares of 50 ZAR cents each
2,000,000

B Redeemable Preference Shares of 1 ZAR cent each
778,896

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

(Check one): Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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## Presentation of information
### AngloGold Ashanti Limited
In this annual report on Form 20-F, references to AngloGold or AngloGold Ashanti, the company and the group, are references
to AngloGold Ashanti Limited or, as appropriate, subsidiaries and associate companies of AngloGold Ashanti.
***US GAAP financial statements***
The audited consolidated financial statements contained in this annual report on Form 20-F for the years ended December 31,
2007, 2006 and 2005 and as at December 31, 2007 and 2006 have been prepared in accordance with U.S. generally accepted
accounting principles (US GAAP).
***IFRS financial statements***
As a company incorporated in the Republic of South Africa, AngloGold Ashanti also prepares annual audited consolidated
financial statements and unaudited consolidated quarterly financial statements in accordance with International Financial
Reporting Standards (IFRS). These financial statements (referred to as IFRS statements) are distributed to shareholders and
are submitted to the JSE Limited (JSE), as well as the London, New York, Australian and Ghana stock exchanges and Paris
and Brussels bourses and are submitted to the US Securities and Exchange Commission (SEC) on Form 6-K.
***Currency***
AngloGold Ashanti presents its consolidated financial statements in United States dollars.
In this annual report, references to rands, ZAR and R are to the lawful currency of the Republic of South Africa, references to
US dollars, dollar or $ are to the lawful currency of the United States, references to € are to the lawful currency of the European
Union, references to C$ are to the lawful currency of Canada, references to ARS and peso are to the lawful currency of
Argentina, references to AUD and A$ are to the lawful currency of Australia, references to BRL are to the lawful currency of
Brazil and references to GHC, cedi or ¢ are to the lawful currency of Ghana.
See "Item 3A.: Selected financial data – Exchange rate information" for historical information regarding the noon buying rate in
the City of New York for cable transfers in rands as certified for customs purposes by the Federal Reserve Bank of New York.
On May 15, 2008 the noon buying rate was R7.5975/$1.00.
***Non-GAAP financial measures***
In this annual report on Form 20-F, AngloGold Ashanti presents the financial items "total cash costs", "total cash costs per
ounce", "total production costs" and "total production costs per ounce" which have been determined using industry guidelines
and practices promulgated by the Gold Institute and are not US GAAP measures. An investor should not consider these items
in isolation or as alternatives to production costs, net income/(loss) applicable to common shareholders, income/(loss) before
income tax provision, net cash provided by operating activities or any other measure of financial performance presented in
accordance with US GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total

production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production
costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis
for comparison with other gold mining companies. See "Glossary of selected terms – Financial terms – Total cash costs" and –
"Total production costs" and "Item 5A.: Operating results – Total cash costs and total production costs".

***Shares and shareholders***

In this annual report on Form 20-F, references to ordinary shares, ordinary shareholders and shareholders/members, should
be read as common stock, common stockholders and stockholders, respectively, and vice versa.

**Certain forward-looking statements**

Certain statements contained in this document, other than statements of historical fact, contain forward-looking statements regarding AngloGold Ashanti's operations, economic performance or financial condition, including, without limitation, those concerning: AngloGold Ashanti’s strategy to reduce its gold hedging position including the extent and effect of the hedge reduction, the economic outlook for the gold mining industry, expectations regarding spot and received gold prices, production, cash costs and other operating results, growth prospects and outlook of AngloGold Ashanti’s operations individually or in the aggregate, including the completion and commencement of commercial operations of certain of AngloGold Ashanti’s exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti's liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation proceedings.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, business and operational risk management and other factors as determined in “Item 3D.: Risk factors” and elsewhere in this annual report. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti’s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the annual report or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

**Glossary of selected terms**

The following explanations are not intended as technical definitions but should assist the reader in understanding terminology
used in this annual report. Unless expressly stated otherwise, all explanations are applicable to both underground and surface
mining operations.

**Mining terms**

**BIF**

Banded Ironstone Formation. A chemically formed iron-rich sedimentary rock.

**By-products**

Any products that emanate from the core process of producing gold, including silver, uranium and sulphuric acid.

**Calc-silicate rock**

A metamorphic rock consisting mainly of calcium-bearing silicates such as diopside and wollastonite, and formed by metamorphism of impure limestone or dolomite.

**Carbon-in-leach (CIL)**

Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to carbon granules in the same circuit.
The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

**Carbon-in-pulp (CIP)**

Gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks. The leached slurry then passes into the
CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed on to the carbon. The granules are separated
from the slurry and treated in an elution circuit to remove the gold.

**Comminution**

Comminution is the crushing and grinding of ore to make gold available for treatment. (See also 'Milling'.)

**Contained gold**

The total gold content (tons multiplied by grade) of the material being described.

**Cut-off Grade (Surface Mines)**

The minimum grade at which a unit of ore will be mined and treated to achieve a desired economic outcome.

**Depletion**

The decrease in quantity of ore in a deposit or property resulting from extraction or production.

**Development**

The process of accessing an orebody through shafts and/or tunnelling in underground mining operations.

**Diorite**

An igneous rock formed by the solidification of molten material (magma).

**Doré**

Impure alloy of gold and silver produced at a mine to be refined to a higher purity, usually consisting of 85 percent gold on
average.

**Electro-winning**

A process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily
into gold bars.

**Elution**

Recovery of the gold from the activated carbon into solution before zinc precipitation or electro-winning.

**Grade**

The quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore (oz/t), or grams per metric tonne (g/t).

**Greenschist**
A schistose metamorphic rock whose green color is due to the presence of chlorite, epidote or actinolite.
**Leaching**
Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.

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**Life-of-mine (LOM)**
Number of years that the operation is planning to mine and treat ore, and is taken from the current mine plan.
**Metallurgical plant**
A processing plant erected to treat ore and extract gold.
**Milling**
A process of reducing broken ore to a size at which concentrating can be undertaken. (See also 'Comminution').
**Mine call factor**
The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with
the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by
the estimated contained gold of ore mined based on sampling.
**Mineral deposit**
A mineral deposit is a concentration (or occurrence) of material of possible economic interest in or on the Earth's crust.
**Ore Reserve**
That part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve
determination.

**Ounce (oz) (troy)**
Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.
**Pay limit**
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, as
well as 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).
**Precipitate**
The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.
**Probable Reserve**
Ore Reserves for which quantity and grade are computed from information similar to that used for Proven Ore Reserves, but
the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of
assurance, although lower than that for Proven Ore Reserves, is high enough to assume continuity between points of observation.
**Productivity**
An expression of labor productivity based on the ratio of grams of gold produced per month to the total number of employees
in underground mining operations.
**Proven Reserve**
Ore Reserves for which the (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes;
grade is computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are
spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of the Ore Reserves are well established.
**Project capital**
Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially

extend the productive life of an asset.

**Reclamation**

In the South African context, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry which is pumped back to the metallurgical plants for processing.

**Recovered grade**

The recovered mineral content per unit of ore treated.

**Reef**

A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.

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**Refining**

The final purification process of a metal or mineral.

**Rehabilitation**

The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws including, but not limited to the South African Department of Minerals and Energy, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

**Seismic event**

A sudden inelastic deformation within a given volume of rock that radiates detectable seismic waves (energy) which results from mining activities.

**Shaft**

A vertical or sub-vertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.

**Skarn**

A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

**Smelting**

A pyro-metallurgical operation in which gold is further separated from impurities.

**Stope**

Underground excavation where the orebody is extracted.

**Stoping**

The process of excavating ore underground.

**Stripping ratio**

The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined.

**Syngenetic**

Formed contemporaneously with the deposition of the sediment.

**Tailings**

Finely ground rock of low residual value from which valuable minerals have been extracted.

**Tailings dam (slimes dam)**

Dam facilities designed to store discarded tailings.

**Tonne**

Used in metric statistics. Equal to 1,000 kilograms.

**Ton**

Used in imperial statistics. Equal to 2,000 pounds. Referred to as a short ton.

**Tonnage**

Quantity of material measured in tons or tonnes.

**Waste**

Material that contains insufficient mineralization for consideration for future treatment and, as such, is discarded.

**Yield**

The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.

**Zinc precipitation**

Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into
unrefined gold bars.

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**Financial terms**
**Average number of employees**
The monthly average number of production and non-production employees and contractors employed during the year, where
contractors are defined as individuals who have entered into a fixed-term contract of employment with a group company or
subsidiary.
**Capital expenditure**
Total capital expenditure on tangible assets.
**Discontinued operations**
An operation that, pursuant to single plan, has been disposed of or abandoned or is classified as held-for-sale until conditions
precedent to the sale have been fulfilled.
**Effective tax rate**
Current and deferred taxation as a percentage of profit before taxation.
**Monetary asset**
An asset which will be settled in a fixed or easily determinable amount of money.
**Region**
Defines the operational management divisions within AngloGold Ashanti and these are South Africa, Argentina, Australia,
Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and United States of America.
**Related party**
Parties are considered related if one party has the ability to control the other party or exercise significant influence over the
other party in making financial and operating decisions.
**Significant influence**
The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decision of an
entity so as to obtain economic benefit from its activities.
**Total cash costs**
Total cash costs include site costs for all mining, processing and onsite administration, reduced by contributions from by-
products and are inclusive of royalties and production taxes. Depreciation, depletion and amortization, rehabilitation, corporate
administration, employee severance costs, capital and exploration costs are excluded. Total cash costs per ounce are the
attributable total cash costs divided by the attributable ounces of gold produced.
**Total production costs**
Total cash costs plus depreciation, depletion and amortization, employee severance costs, rehabilitation and other non-cash
costs. Corporate administration and exploration costs are excluded. Total production costs per ounce are the attributable total
production costs divided by the attributable ounces of gold produced.
**Weighted average number of ordinary shares**
The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on
a time basis for the period during which they have participated in the income of the group and increased by share options that
are virtually certain to be exercised.
**Currencies**

| | |
|---|---|
| $, US$ or dollar | United States dollars |
| ARS | Argentinean peso |
| A$ or AUD | Australian dollars |
| BRL | Brazilian real |
| € or Euro | European Euro |
| C$ | Canadian dollars |
| CHF | Swiss francs |
| GHC, cedi or ¢ | Ghanaian cedi |
| HKD | Hong Kong dollar |
| N$ or NAD | Namibian dollars |
| Tsh | Tanzanian Shillings |
| ZAR, R or rand | South African rands |

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**Abbreviations**

ADS
American Depositary Share
ADR American Depositary Receipt
ASX
Australian Stock Exchange
bn Billion
capex Capital expenditure
CDI
Chess Depositary Interests
CLR
Carbon Leader Reef
FCFA
Francs Communauté Financiére Africaine
FIFR
Fatal injury frequency rate per million hours worked
g Grams
g/t
Grams per tonne
g/TEC
Grams per total employee costed
GhDS
Ghanaian Depositary Share
GhSE
Ghana Stock Exchange
JORC
Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves
JIBAR
Johannesburg interbank agreed rate
JSE
JSE Limited (the stock exchange in Johannesburg, South Africa)
King Code
the Code of Corporate Practices and Conduct representing the principles of good governance as laid out in the King Report on Corporate Governance for South Africa 2002
kg Kilograms
LSE
London Stock Exchange
LIBOR
London interbank offer rate
LOM Life-of-mine
LTIFR
Lost-time injury frequency rate per million hours worked
(1)
$m^2$/TEC
Square meters per total employee costed
M or m
Meter or million, depending on the context
Moz Million ounces
Mt
Million tonnes or tons

Mtpa
Million tonnes/tons per annum
NOSA
National Occupational Safety Association
NPSE
Normal Purchase Normal Sales Exemption
NYSE
New York Stock Exchange
oz Ounces (troy)
oz/t
Ounces per ton
RIFR
Reportable injury frequency rate per million hours worked
SAMREC
South African Code for the Reporting of Mineral Resources and Mineral Reserves
SEC
United States Securities and Exchange Commission
SRP
South African Securities Regulation Panel
SOX
Sarbanes-Oxley Act of 2002
t
Tons (short) or tonnes (metric)
tpm
Tonnes/tons per month
tpa
Tonnes/tons per annum
tpd
Tonnes/tons per day
VCR
Ventersdorp Contact Reef
VCT
Voluntary counseling and testing

*(1)*
***Note*** *that AngloGold Ashanti utilizes the strictest definition in reporting Lost-Time Injuries in that it includes all Disabling Injuries (where an individual is unable to return to his place of regular work the next calendar day after the injury) and Restricted Work Cases (where the individual may be at work, but unable to perform full or regular duties on the next calendar day after the injury) within this definition.*
*Rounding of figures in this report may result in computational discrepancies.*

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**PART I**
**Item 1: Identity of directors, senior management and advisors**
Not applicable.
**Item 2: Offer statistics and expected timetable**
Not applicable.
**Item 3: Key information**
**3A.**
**Selected financial data**
The selected financial information set forth below for the years ended December 31, 2005, 2006 and 2007 has been derived
from, and should be read in conjunction with, the US GAAP financial statements included under Item 18 of this annual report.
The selected financial information for the years ended December 31, 2003 and 2004 and as at December 31, 2003 and 2004
has been derived from the US GAAP financial statements not included in this annual report.

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**Year ended December 31,**
**2003**
**(1)(2)(3)**
**2004**
**(4)(5)**
**2005**
**2006 2007**
**(6)**
**$ $**
**$**
**$**
**$**
**(in millions, except share and per share amounts)**
**Consolidated statement of income**
Sales and other income
1,670
2,151
2,485
2,715
3,095
Product sales
(7)
1,641
2,096
2,453
2,683
3,048
Interest, dividends and other
29
55
32
32
47
Costs and expenses
1,329
2,176
2,848
2,811
3,806
Operating costs
(8)
1,135
1,517
1,842
1,785
2,167
Royalties
11
27
39

59
70
Depreciation, depletion and amortization
247
445
593
699
655
Impairment of assets
75
3
141
6
1
Interest expense
28
67
80
77
75
Accretion expense
2
8
5
13
20
(Profit)/loss on sale of assets, realization of loans, indirect taxes
and other
(55)
(14)
(3)
(36)
10
Mining contractor termination costs
-
-
9
-
-
Non-hedge derivative (gain)/loss
(114)
123
142
208
808
Income/(loss) from continuing operations before income tax
equity income, minority interests and cumulative effect of
accounting change
341
(25)
(363)

(96)
(711)
Taxation (expense)/benefit
(143)
132
121
(122)
(118)
Minority interest
(17)
(22)
(23)
(29)
(28)
Equity income in affiliates
71
23
39
99
41
Income/(loss) from continuing operations before cumulative
effect of accounting change
252
108
(226)
(148)
(816)
Discontinued operations
(2)
(11)
(44)
6
2
Income/(loss) before cumulative effect of accounting change
250
97
(270)
(142)
(814)
Cumulative effect of accounting change
(3)
-
(22)
-
-
Net income/(loss) – applicable to common stockholders
247
97
(292)
(142)
(814)

Basic earnings/(loss) per common share (in $)
(9)
From continuing operations
1.13
0.43
(0.85)
(0.54)
(2.93)
Discontinued operations
(0.01)
(0.04)
(0.17)
0.02
0.01
Before cumulative effect of accounting change
1.12
0.39
(1.02)
(0.52)
(2.92)
Cumulative effect of accounting change
(0.01)
-
(0.08)
-
-
Net income/(loss) – applicable to common stockholders
1.11
0.39
(1.10)
(0.52)
(2.92)
Diluted earnings/(loss) per common share (in $)
(9)
From continuing operations
1.13
0.42
(0.85)
(0.54)
(2.93)
Discontinued operations
(0.01)
(0.04)
(0.17)
0.02
0.01
Before cumulative effect of accounting change
1.12
0.38
(1.02)
(0.52)

(2.92)
Cumulative effect of accounting change
(0.01)
-
(0.08)
-
-
Net income/(loss) – applicable to common stockholders
1.11
0.38
(1.10)
(0.52)
(2.92)
Dividend per common share (cents)
133
76
56
39
44

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| | **As at December 31,** | | | | |
|---|---|---|---|---|---|
| | **2003** **(1)(2)(3)** | **2004** **(4)(5)** | **2005** | **2006** | **2007** **(6)** |
| | **$** | **$** | **$** | **$** | **$** |
| | **(in millions, except share and per share amounts)** | | | | |
| **Consolidated balance sheet data (as at period end)** | | | | | |
| Cash and cash equivalents and restricted cash | 479 | 302 | 204 | 482 | 514 |
| Other current assets | 822 | 1,115 | 1,197 | 1,394 | 1,599 |
| Property, plants and equipment, deferred stripping, and acquired properties, net | 3,037 | 6,654 | 6,439 | 6,266 | 6,807 |
| Goodwill and other intangibles, net | 226 | 591 | 550 | 566 | 591 |
| Materials on the leach pad (long-term) | 7 | 22 | 116 | 149 | 190 |
| Other long-term assets, derivatives, deferred taxation assets and other long-term inventory | 772 | 712 | | | |

607
656
680
Total assets
5,343
9,396
9,113
9,513
10,381
Current liabilities
1,116
1,469
1,874
2,467
3,795
Provision for environmental rehabilitation
124
209
325
310
394
Deferred taxation liabilities
789
1,518
1,152
1,275
1,345
Other long-term liabilities, and derivatives
1,194
2,295
2,539
2,092
2,232
Minority interest
52
59
60
61
63
Stockholders’ equity
2,068
3,846
3,163
3,308
2,552
Total liabilities and stockholders’ equity
5,343
9,396
9,113
9,513
10,381

Capital stock (exclusive of long-term debt and
redeemable preferred stock)
9
10
10
10
10
Number of common shares as adjusted to reflect
changes in capital stock
223,136,342
264,462,894
264,938,432
276,236,153
277,457,471
Net assets
2,120
3,905
3,223
3,369
2,615

*(1)*

*Excludes the financial condition of the Amapari Project sold with effect from May 19, 2003. See "Item 4A.: History and development of the company".*

*(2)*

*Excludes the Gawler Craton Joint Venture sold with effect from June 6, 2003. See "Item 4A.: History and development of the company".*

*(3)*

*Excludes the results of operations and financial condition of the Jerritt Canyon Joint Venture sold with effect from June 30, 2003. See "Item 4A.: History and development of the company".*

*(4)*

*Includes the results of operations and financial condition of Ashanti as of April 26, 2004. See "Item 4A.: History and development of the company".*

(5)

*Excludes the results of operations and financial condition of the Freda-Rebecca mine sold with effect from September 1, 2004. See "Item 4A.: History and development of the company".*

(6)

*Includes the acquisition of 15 percent minority interest acquired in the Iduapriem and Teberebie mine with effect from September 1, 2007. See "Item 4A.: History and development of the company".*

*(7)*

*Product sales represent revenue from the sale of gold.*

*(8)*

*Operating costs include production costs, exploration costs, related party transactions, general and administrative, market development costs, research and development, employment severance costs and other.*

*(9)*

*The calculations of basic and diluted earnings/(loss) per common share are described in note 9 to the consolidated financial statements "(loss)/earnings per common share". Amounts reflected exclude E Ordinary shares.*

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**Annual dividends**

The table below sets forth the amounts of interim, final and total dividends paid in respect of the past five years in cents per ordinary share. In respect of 2007, AngloGold Ashanti's board of directors declared an interim dividend of 90 South African cents per ordinary share on July 30, 2007, with a record date of August 24, 2007, and a payment date of September 10, 2007, and a final dividend of 53 South African cents per ordinary share on February 6, 2008, with a record date of February 29, 2008 and a payment date of March 17, 2008.

| Year ended December 31 | Interim | Final | Total | Interim | Final | Total |
|---|---|---|---|---|---|---|
| | **(South African cents per ordinary share)** | | | **(US cents per ordinary share (1))** | | |
| 2003 | 375 | 335 | 710 | 50.73 | 49.82 | 100.55 |
| 2004 | 170 | 180 | 350 | 25.62 | 30.37 | 55.99 |
| 2005 | 170 | 62 | 232 | 26.09 | 9.86 | 35.95 |
| 2006 | 210 | 240 | 450 | 29.40 | 32.38 | 61.78 |
| 2007 | 90 | 53 | 143 | 12.44 | 6.60 | |

19.04
*(1)*
*Dividends for these periods were declared in South African cents. US dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.*

Future dividends will be dependent on AngloGold Ashanti's cash flow, earnings, planned capital expenditures, financial condition and other factors. Given that AngloGold Ashanti is in its highest-ever capital expenditure phase, it will continue to manage capital expenditure in line with profitability and cash flow, and its approach to the dividend on the basis of prudent financial management. Under South African law, AngloGold Ashanti may declare and pay dividends from any capital and reserves included in total shareholders' equity calculated in accordance with IFRS, subject to its solvency and liquidity. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

Dividends may be declared in any currency at the discretion of the AngloGold Ashanti board or AngloGold Ashanti shareholders at a general meeting. Currently, dividends are declared in South African rands and paid in Australian dollars, South African rands, British pounds and Ghanaian cedis. Dividends paid to registered holders of AngloGold Ashanti ADSs are paid in US dollars converted from South African rands by The Bank of New York, as depositary, in accordance with the deposit agreement. Exchange rate fluctuations may therefore affect the value of the dividends received by registered shareholders and distributions paid by the relevant depositary to investors holding AngloGold Ashanti securities.

Moreover, fluctuations in the exchange rates of the British pound and the US dollar may have affected and are likely to affect the US dollar price of the ADSs on the NYSE and the US dollar equivalents of the United Kingdom pound price of the ordinary shares on the London Stock Exchange (LSE). For details on taxation and exchange controls applicable to holders of ordinary shares or ADSs, see "Item 10D.: Exchange controls" and "Item 10E.: Taxation – Taxation of dividends".

**Exchange rate information**

The following table sets forth for the periods and dates indicated certain information concerning the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York expressed in rands per $1.00. On May 15, 2008, the noon buying rate between South African rands and US dollars was R7.5975/$1.00.

| **Year ended December 31** | **High** | **Low** | **Year end** | **Average (1)** |
|---|---|---|---|---|
| 2003 | 9.05 | 6.26 | 6.70 | 7.42 |
| 2004 | 7.31 | 5.62 | 5.65 | 6.39 |
| 2005 | 6.92 | 5.64 | 6.33 | 6.35 |
| 2006 | | | | |

| | | | |
|---|---|---|---|
| 7.94 | 5.99 | 7.04 | 6.81 |
| 2007 | | | |
| 7.49 | 6.45 | 6.81 | 7.03 |
| 2008 (2) | | | |
| 8.21 | 6.74 | – | 7.60 |

*(1)*
*The average of the noon buying rates on the last business day of each month during the year.*
*(2)*
*Through May 15, 2008.*

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| Exchange rate information for the months of | High | Low |
|---|---|---|
| October 2007 | 6.91 | 6.49 |
| November 2007 | 7.00 | 6.45 |
| December 2007 | 7.04 | 6.66 |
| January 2008 | 7.45 | 6.74 |
| February 2008 | 7.89 | 7.41 |
| March 2008 | 8.21 | 7.76 |
| April 2008 | 8.02 | 7.53 |
| May 2008 (1) | 7.72 | 7.51 |

*(1)* *Through May 15, 2008.*

**3B.**
**Capitalization and indebtedness**

Not applicable.

**3C.**
**Reasons for the offer and use of proceeds**

Not applicable.

**3D.**
**Risk factors**

The risk factors set out in this document have been organized into three categories:

- risks related to the gold mining industry generally;
- risks related to AngloGold Ashanti's operations; and
- risks related to AngloGold Ashanti's ordinary shares and American Depositary Shares (ADSs).

**Risks related to the gold mining industry generally**

***The profitability of AngloGold Ashanti's operations, and the cash flows generated by these operations, are significantly affected by changes in the market price for gold.***

The market price for gold can fluctuate widely. These fluctuations are caused by numerous factors beyond AngloGold Ashanti's control, including:

- speculative positions taken by investors or traders in gold;
- changes in the demand for gold as an investment;
- changes in the demand for gold used in jewellery and for other industrial uses;
- changes in the supply of gold from production, disinvestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or expected gold sales by central banks and the International Monetary Fund;

- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- costs of gold production in major gold-producing nations in which the company has operations, such as South Africa, the United States and Australia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of above-ground stocks of the metal in comparison to other commodities, these factors typically do not affect the gold price in the same manner or degree that the supply of and demand for other commodities tends to affect their market price.

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The following table presents the annual high, low and average afternoon fixing prices over the past 10 years, expressed in dollars, for gold per ounce on the London Bullion Market:

| **Year** | **High** | **Low** | **Average** |
|---|---|---|---|
| 1998 | 314 | 273 | 287 |
| 1999 | 340 | 252 | 278 |
| 2000 | 317 | 262 | 279 |
| 2001 | 298 | 253 | 271 |
| 2002 | 347 | 278 | 310 |
| 2003 | 417 | 320 | 364 |
| 2004 | 456 | 371 | 410 |
| 2005 | 538 | 412 | 445 |
| 2006 | 725 | 525 | 604 |
| 2007 | 845 | 602 | 697 |
| 2008 (1) | 1,023 | 840 | 913 |

***Source of data**: Metals Week, Reuters and London Bullion Market Association*.

*(1) Through May 15, 2008.*

On May 15, 2008, the afternoon fixing price of gold on the London Bullion Market was $866.25 per ounce.

In addition to the spot price of gold, a portion of AngloGold Ashanti's gold sales is determined at prices in accordance with the various hedging contracts that it has entered into, or may enter into, with various gold hedging counterparts.

If revenue from gold sales falls below the cost of production for an extended period, AngloGold Ashanti may experience losses and be forced to curtail or suspend some or all of its capital projects or existing operations, particularly those operations having operating costs that are flexible to such short- to medium-term curtailment or closure, or change its past dividend payment policies. In addition, it would have to assess the economic impact of low gold prices on its ability to recover any losses that may be incurred during that period and on its ability to maintain adequate cash reserves.

***The profitability of AngloGold Ashanti's operations, and the cash flows generated by these operations, are significantly affected by the fluctuations in the price of input production factors, many of which are linked to the***

***price of oil and steel.***

Fuel, power and consumables, including diesel, heavy fuel oil, chemical reagents, explosives and tires, which are used in mining operations form a relatively large part of the operating costs of any mining company. The cost of these consumables is linked, to a greater or lesser extent, to the price of oil.

AngloGold Ashanti has estimated that for each $1 per barrel rise in the oil price, the average cash costs of all its operations increases by approximately $0.61 per ounce with the cash costs of certain of its mines, which are more dependent on fuel, being more sensitive to changes in the price of oil.

Furthermore, the cost of steel, which is used in the manufacture of most forms of fixed and mobile mining equipment, is also a relatively large contributor to the operating costs and capital expenditure of a mining company.

Fluctuations in the price of oil and steel have a significant impact upon operating cost and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable. AngloGold Ashanti has no influence over the price of fuel, chemical reagents, explosives, steel and other commodities used in its mining activities.

***AngloGold Ashanti's operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, heavy mining equipment and metallurgical plant.***

Due to the significant increase in the world's demand for commodities, the global mining industry is experiencing an increase in production capacity both in terms of expansions at existing, as well as the development of new, production facilities. This increase in expansion capacity has taken place, in certain instances, without a concomitant increase in the capacity for production of certain strategic spares, critical consumables and mining and processing equipment used to operate and construct mining operations, resulting in shortages of and an increase in the lead times to deliver these items.

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In particular, AngloGold Ashanti and other gold mining companies have experienced shortages in critical consumables like tires
for mobile mining equipment, underground support, as well as certain critical spares for both mining equipment and processing
plants including, for example, gears for the ball-mills. In addition, the company has experienced an increase in delivery times
for these and other items. These shortages have also resulted in unanticipated increases in the price of certain of these and
other items. Shortages of critical spares, consumables and equipment result in delays and production shortfalls. Increases in
prices result in an increase in both operating costs and the capital expenditure to develop mining operations.
While suppliers and equipment manufacturers may increase capacity to meet the increased demand and therefore alleviate
both shortages of, and time to deliver, strategic spares, critical consumables and mining and processing equipment, individually
the companies have limited influence over manufacturers and suppliers. Consequently, shortages and increased lead times in
delivery of strategic spares, critical consumables, heavy mining and certain processing equipment could have an adverse
impact upon AngloGold Ashanti's results of operations and its financial condition.

***Gold companies face many risks related to their operations (including their exploration and development activities) that may adversely affect their cash flows and overall profitability.***

Uncertainty and cost of mineral exploration and acquisitions

Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to
establish the presence, and quantify the extent and grades (metal content) of mineralized material through exploration drilling;
determine appropriate metallurgical recovery processes to extract gold from the ore; estimate Ore Reserves; undertake
feasibility studies and estimate the technical and economic viability of the project; and construct, renovate or expand mining
and processing facilities.
Once gold mineralization is discovered it can take several years to determine whether Ore Reserves exist. During this time the
economic feasibility of production may change owing to fluctuations in factors that affect revenue, as well as cash and other
operating costs.
AngloGold Ashanti evaluates from time to time the acquisition of Ore Reserves, development properties and operating mines,
either as stand-alone assets or as part of companies. Its decisions to acquire these properties have historically been based on
a variety of factors including historical operating results, estimates of and assumptions regarding the extent of Ore Reserves,
cash and other operating costs, gold prices and projected economic returns and evaluations of existing or potential liabilities
associated with the property and its operations and how these may change in the future. Other than historical operating results,
all of these parameters are uncertain and have an impact upon revenue, cash and other operating issues, as well as the
uncertainties related to the process used to estimate Ore Reserves. In addition, there is intense competition for the acquisition
of attractive mining properties.

As a result of these uncertainties, the exploration programs and acquisitions engaged in by AngloGold Ashanti may not result in the expansion or replacement of the current production with new Ore Reserves or operations. This could adversely affect its results of operations and its financial condition.

Development risks

AngloGold Ashanti's profitability depends, in part, on the actual economic returns and the actual costs of developing mines, which may differ significantly from its current estimates. The development of its mining projects may be subject to unexpected problems and delays.

AngloGold Ashanti's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies estimate the expected or anticipated project economic returns.

These estimates are based on assumptions regarding: future gold, other metal and uranium prices; anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed; anticipated recovery rates of gold, and other metals and uranium from the ore; anticipated capital expenditure and cash operating costs; and the required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are determined particularly by the costs of the commodity inputs, including the cost of fuel, chemical reagents, explosives, tires and steel that are consumed in mining activities and credits from by-products. There are a number of uncertainties inherent in the development and construction of an extension to an existing mine, or in the development and construction of any new mine.

In addition to those discussed above these uncertainties include: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and cost of skilled labor, power, water and transportation
facilities; the availability and cost of appropriate smelting and refining arrangements; the need to obtain necessary environmental and other governmental permits and the timing of those permits; and the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine development and construction can increase because of the remote location of many
mining properties. New mining operations could experience unexpected problems and delays during development, construction
and mine start-up. In addition, delays in the commencement of mineral production could occur. Finally, operating cost and
capital expenditure estimates could fluctuate considerably as a result of fluctuations in the prices of commodities consumed in
the construction and operation of mining projects. Accordingly, AngloGold Ashanti's future development activities may not
result in the expansion or replacement of current production with new production, or one or more of these new production sites
or facilities may be less profitable than currently anticipated or may not be profitable at all. The shortage of skilled labor may
also impede exploration and development projects.

Ore Reserve estimation risks

AngloGold Ashanti undertakes annual revisions to its Ore Reserve estimates based upon actual exploration and production
results, depletion, new information on geology and fluctuations in production, operating and other costs and economic parameters such as gold price and exchange rates. Ore Reserve estimates are not precise calculations and are dependent on
the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling
results. These factors may result in reductions in its Ore Reserve estimates, which could adversely affect the life-of-mine plans
and consequently the total value of AngloGold Ashanti's mining asset base and, as a result, have an adverse effect upon the
market price of AngloGold Ashanti's ordinary shares and ADSs.

*Production or mining industry risks*

Gold mining is susceptible to numerous events that may have an adverse impact on a gold mining business, its ability to
produce gold and meet its production targets. These events include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;
- underground fires;
- labor disputes;
- activities of illegal or artisanal miners;
- electrical power interruptions;
- encountering unexpected geological formations;
- unanticipated ground and water conditions;
- unanticipated increases in gold lock-up and inventory levels at the company's heap-leach operations;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;

- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

Seismic activity is of particular concern to the gold mining industry in South Africa, in part because of the large percentage of deep-level gold mines. To understand and manage this risk, AngloGold Ashanti uses sophisticated seismic and rock mechanics technologies.

Despite the implementation of this technology and modifications to mine layouts and support technology with a view to minimizing the incidence and impact of seismic activity, seismic events have in the past, and may in the future, cause the death of, or personal injury to, miners and other employees, as well as the loss of mining equipment, damage to or destruction of mineral properties or production facilities, production disruptions, monetary losses, environmental damage and potential legal liabilities, both within South Africa and elsewhere where seismic activity may be a factor. As a result, these events may have a material adverse effect on AngloGold Ashanti's operational results and its financial condition. For example, in the fourth quarter of 2007, AngloGold Ashanti encountered unanticipated delays and a shortfall in production of approximately 55,000 ounces as a result of these events.

***Gold mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.***

As a consequence of public concern about the perceived ill effects of economic globalization, business generally and in particular large multinational corporations such as AngloGold Ashanti, face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders – including employees, communities surrounding operations and the countries in which they operate – benefit, and will continue to benefit from these commercial activities, which are also expected to minimize or eliminate any damage to the interests of those stakeholders.

These pressures tend to be applied most strongly against companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of such pressures, especially if not effectively managed, include reputational damage, legal suits and social spending obligations. All of these factors could have a material adverse effect on AngloGold Ashanti's results of operations and its financial condition.

The South African Department of Minerals and Energy has embarked on an audit strategy with the objective of helping mines to develop programs to improve health and safety. Audits have been conducted and in a number of working places compliance stoppages have occurred. These instances have had a short-term adverse impact on gold production. Future stoppages could have a similar negative impact on production.

***Gold mining operations are subject to extensive health and safety laws and regulations.***

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and health of employees. If these laws and regulations were to change and, if as a result, material additional expenditure were required to comply with such new laws and regulations, it could adversely affect AngloGold Ashanti's results of operations and its financial condition.

***Gold mining companies are subject to extensive environmental laws and regulations.***

Gold mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on gold producers' ability to conduct their operations. The cost of AngloGold Ashanti's compliance with environmental laws and regulations has been significant and is expected to continue to be significant.

Gold mining companies are required to close their operations and rehabilitate the lands that they mine in accordance with environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they are known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse effect on AngloGold Ashanti's financial condition.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. If AngloGold Ashanti's environmental compliance obligations were to change as a result of changes in the laws and regulations or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions were to arise in its operations, its expenses and provisions would increase to reflect these changes. If material, these expenses and provisions could adversely affect AngloGold Ashanti's results of operations and its financial condition.

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**Risks related to AngloGold Ashanti's operations**

AngloGold Ashanti faces many risks related to its operations that may affect its cash flows and overall profitability.

***AngloGold Ashanti uses gold hedging instruments and has entered into long term sales contracts, which may prevent the company from realizing all potential gains resulting from subsequent commodity price increases in the future. AngloGold Ashanti's reported financial condition could be adversely affected as a result of the need to fair value all of its hedge contracts.***

AngloGold Ashanti currently uses gold hedging instruments to fix the selling price of a portion of its anticipated gold productionand to protect revenues against unfavorable gold price and exchange rate movements. While the use of these instruments may protect against a drop in gold prices and exchange rate movements, it will do so for only a limited period of time and only to the extent that the hedge remains in place. The use of these instruments may also prevent AngloGold Ashanti from fully realizing the positive impact on income from any subsequent favorable increase in the price of gold on the portion of production covered by the hedge and of any subsequent favorable exchange rate movements.

A significant number of AngloGold Ashanti's forward sales contracts are not treated as derivatives and fair valued on the financial statements as they fall under the normal purchase normal sales exemption (NPSE). Should AngloGold Ashanti fail to settle these contracts by physical delivery, then it may be required to account for the fair value of a portion of, or potentially all of, the existing contracts in the financial statements. This could adversely affect AngloGold Ashanti's reported financial condition.

***AngloGold Ashanti intends to significantly reduce its gold hedging position following a proposed rights offering, which will substantially reduce its protection against future declines in the market price of gold.***

AngloGold Ashanti has traditionally used gold hedging instruments to protect the selling price of some of its anticipated sales against declines in the market price of gold. The use of these instruments has prevented AngloGold Ashanti from fully participating in the significant increase in the market price of gold in recent years. Since 2001 AngloGold Ashanti has has been reducing its hedge commitments through hedge buy-backs (limited to non-hedge derivatives), physical settlement of maturing contracts and other restructurings in order to provide greater participation in a rising gold price environment. Notwithstanding the steps AngloGold Ashanti has taken to date, its gold hedging position has continued to have a significantly adverse effect upon its financial performance. In order to address this, AngloGold Ashanti intends to procure early settlement of certain contracts otherwise due to mature in 2009 and 2010 during the course of 2008. This is to be funded by way of a proposed rights offering that is subject to shareholder approval at a general meeting to be held on May 22, 2008. In addition to the settlement of certain contracts during 2008, AngloGold Ashanti intends to restructure some of the remainder of its hedge book in order to achieve greater participation in the spot price of gold beyond 2009. As a result of these measures, AngloGold Ashanti expects to have substantially less protection against declines in the market price of gold during 2008 and later years compared to 2007. For a description of AngloGold Ashanti's commodity instruments, see "Item 11.: Quantitative and qualitative disclosures about market risk".

***AngloGold Ashanti faces certain risks and uncertainties in the execution of its planned gold hedge restructuring.***

Through the planned gold hedge restructuring, AngloGold Ashanti intends to significantly reduce its gold hedging position by procuring early settlement of certain contracts otherwise due to mature in 2009 and 2010 during the course of 2008. In addition to the settlement of certain contracts during 2008, AngloGold Ashanti also intends to restructure some of the remainder of its hedge book in order to achieve greater participation in the spot price for gold beyond 2009. The exact nature, extent and execution of these processes will depend upon prevailing and anticipated market conditions at the time of restructuring, particularly prevailing gold prices and exchange rates and other relevant economic factors. Should these conditions become unfavorable at any stage during the restructuring, this may delay or frustrate the implementation of the restructuring. In addition, should the outlook for gold prices, exchange rates and other economic factors materially change, it is possible that AngloGold Ashanti's plans for the execution of the gold hedge restructuring may be modified so as to minimize the adverse impact from such changes or maximize the benefits from them.

Furthermore, the execution of the gold hedge restructuring may depend on or be affected by AngloGold Ashanti's ability to obtain consents from hedge counterparties and its lenders. If AngloGold Ashanti is not able to successfully execute the planned gold hedge restructuring, then it will be prevented from fully participating in higher gold prices should such prices continue to prevail.

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AngloGold Ashanti also continues to give consideration to the early settlement of contracts not currently recorded on balance
sheet (Normal Purchase Normal Sale Exemption (NPSE)) by means of early physical delivery. Such early physical settlement,
if it were to occur, would result in a significant adverse impact on its 2008 recorded revenues in AngloGold Ashanti's income
statement, as sales that would have otherwise been executed at the spot price of gold will be replaced with sales based on the
earlier contracted prices of such NPSE contracts that are settled during the year. Furthermore should AngloGold Ashanti
conclude that such early physical settlement of NPSE contracts represents a tainting event, it would be required to recognize
on balance sheet the fair value of a portion of, or potentially all of, the existing NPSE contracts, which would result in a
significant adverse impact on its financial statements. No such conclusion has yet been made by AngloGold Ashanti and it is
still considering the potential impact of any such transaction.

***Some of AngloGold Ashanti's power suppliers have forced it to halt or curtail activities at its mines, due to severe power disruptions. Power stoppages, fluctuations and power cost increases may adversely affect AngloGold Ashanti's results of operations and its financial condition.***

In South Africa, AngloGold Ashanti's mining operations are dependent upon electrical power generated by the State utility,
Eskom. As a result of an increase in demand exceeding available generating capacity, Eskom has warned that the country
could face disruptions in electrical power supply. At the start of 2008, as a result of substantial unplanned maintenance at
Eskom's power stations, as well as higher than usual seasonal rainfall adversely affecting Eskom's coal stockpiles, Eskom's
generating capacity was constrained and reduced. As a result, the incidence of power outages in South Africa increased
substantially to the point that, on Friday, January 25, 2008, Eskom warned that it could no longer guarantee the availability of
its supply of electrical power to the South African mining industry. Consequently, AngloGold Ashanti, along with other mining
companies with South African operations, were forced temporarily to suspend mining operations at their South African mines.

Following meetings between industry-wide representatives, including AngloGold Ashanti, and Eskom, agreement was reached
whereby mines were able to resume their power consumption at 90 percent of average capacity in return for Eskom
guaranteeing a more normal power supply, including undertakings to more reliably warn companies when power outages may
occur. Mining operations resumed on Wednesday, January 30, 2008 at AngloGold Ashanti's South African mines, although
operations continue to be constrained by a power capacity limitation imposed by Eskom. By mid-first quarter of 2008, power
supply had increased to approximately 96.5 percent and AngloGold Ashanti's South African operations were once again able to
operate at full capacity as a result of the various energy efficiency initiatives implemented at its South African operations.

Ongoing and future production levels will depend on an ongoing stable power supply consistent with Eskom's

undertaking as
well as whether AngloGold Ashanti is able to continue to implement, and increase, its various energy efficiency initiatives. The
extent to which the power capacity limitation will result in lost production will depend on a number of factors, including the
success of the company's energy efficiency initiatives; accordingly, AngloGold Ashanti is unable to estimate its lost production
as a result of the power capacity limitations. Eskom has also advised AngloGold Ashanti that it intends to increase power tariffs
significantly. Should the power outages continue or should AngloGold Ashanti be unable to achieve its production or cost
targets due to the current constraints, any additional power outages or any power tariff increases, then its future profitability
and financial condition may be adversely impacted.

All of AngloGold Ashanti's mining operations in Ghana are dependent for their electricity supply on hydro-electric power
supplied by the Volta River Authority (VRA) an entity controlled by the government of Ghana. Most of this electrical power is
hydro-generated electricity, although AngloGold Ashanti also has access to VRA electricity supply from a recently constructed
smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and during periods of below
average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998,
2006 and the first half of 2007. In addition, during periods of limited electricity availability, the national power system is subject
to system disturbances and voltage fluctuations, which can damage the group's equipment. The VRA also obtains power from
neighbouring Cote d'Ivoire, which has intermittently experienced some political instability and civil unrest. These factors,
including increased power demand from other users in Ghana, may cause interruptions in AngloGold Ashanti's power supply to
its operations in Ghana or result in increases in the cost of power even if they do not interrupt supply. Consequently, these
factors may adversely affect AngloGold Ashanti's results of operations and its financial condition. In order to address this
problem and to supplement the power generated by the VRA, AngloGold Ashanti has, together with the other three principal
gold producers in Ghana, acquired (and equally fund) an 85 megawatt, diesel-fired, power plant that could be converted to gas
supply once the anticipated West African Gas Pipeline is developed. To further reduce the dependence on hydro-electric
power, which may be impacted by low rainfall, the VRA is increasing its thermal power generation capacity by constructing a
126 mega watt thermal plant at Tema.

AngloGold Ashanti's mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors
and supplies of fuel being delivered by road. AngloGold Ashanti's power supply has been disrupted in the past and it has
suffered resulting production losses as a result of equipment failure.

***Contracts for sale of uranium at fixed prices could affect AngloGold Ashanti's operating results and financial condition.***
AngloGold Ashanti has entered into contracts for the sale of uranium produced by some of its South African operations and
may therefore be prevented from realizing all potential gains from an increase in uranium prices to the extent that the company's future production is covered by such contracts, or should AngloGold Ashanti not produce sufficient quantities of
uranium to cover such contracts, it may need to procure or borrow uranium in the market to meet any shortfall which could
adversely affect AngloGold Ashanti's results of operations and its financial condition.
Given the uncertainty relating to availability of power, and the impact power constraints may have on uranium production, the
company is in negotiations to reschedule some of its uranium contracts and depending on the outcome of these negotiations,
may have to buy uranium on the open market to fulfill its contractual obligations. For example in 2007, AngloGold Ashanti
purchased 400,000 pounds of uranium at a cost of approximately $31 million.
***Foreign exchange fluctuations could have a material adverse effect on AngloGold Ashanti's operating results and financial condition.***
Gold is principally a dollar-priced commodity, and most of AngloGold Ashanti's revenues are realized in or linked to dollars
while production costs are largely incurred in the applicable local currency where the relevant operation is located. The
weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in
lower revenues and higher production costs in dollar terms.
Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local
currencies yields significantly higher revenues and lower production costs in dollar terms. If material, these exchange rate
movements may have a material effect on AngloGold Ashanti's operational results.
Since June 2002, the weakening of the dollar against the South African rand (up until the second half of 2007 when the South
African rand began to also weaken against the dollar), the Brazilian real, the Argentinean peso and the Australian dollar has
had a negative impact upon AngloGold Ashanti's profitability. Conversely, in certain prior years, the devaluation of these local
currencies against the dollar has had a significant positive effect on the profitability of AngloGold Ashanti's operations. In 2007,
2006, and 2005, AngloGold Ashanti derived approximately 71 percent, 73 percent and 67 percent, respectively, of its revenues
from these countries and incurred approximately 62 percent, 61 percent and 63 percent, respectively, of production costs in
these local currencies.
In 2007, the weakening of the dollar against these local currencies in which the company operates continued to increase total
cash costs. A one percent strengthening of these local currencies against the dollar will result in an increase of total cash costs
incurred of nearly $3 per ounce, or 1 percent. These impacts were partially offset by the increase in the dollar price of gold,

which increase was to some extent a function of dollar weakness. In addition, production costs in South African rand, Brazilian real, Argentinean peso and Australian dollar terms were only modestly offset by the effect of exchange rate movements on the price of imports denominated in dollars, as imported products comprise a small proportion of production costs in each of these countries.

A small proportion of AngloGold Ashanti's hedges are denominated in South African rands, Australian dollars and Brazilian real which may partially offset the effect of the US dollar's strength or weakness on AngloGold Ashanti's profitability.

In addition, due to its global operations and local foreign exchange regulations, some of AngloGold Ashanti's funds are held in local currencies, such as the South African rand and the Australian dollar.

The dollar value of these currencies may be affected by exchange rate fluctuations. If material, exchange rate movements may adversely affect AngloGold Ashanti's financial condition.

***AngloGold Ashanti's level of indebtedness may adversely affect its business.***

As of December 31, 2007, AngloGold Ashanti had gross borrowings of approximately $1.9 billion (including bonds). This level of indebtedness could have adverse effects on AngloGold Ashanti's flexibility to do business. Under the terms of AngloGold Ashanti's borrowing facilities from its banks it is obliged to meet certain financial and other covenants. AngloGold Ashanti expects to meet these covenants and to be able to pay principal and interest on its debt by utilizing the cash flows from operations. Its ability to continue to do so will depend upon its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond its control. AngloGold Ashanti may be required to utilize a large portion of its cash flow to pay the principal and interest on its debt which will reduce the amount of funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions.

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AngloGold Ashanti's level of indebtedness may make it vulnerable to economic cycle downturns, which are beyond its control, because during such downturns, it cannot be certain that its future cash flows will be sufficient to allow it to pay principal and interest on its debt and also to meet its other obligations. Should the cash flow from operations be insufficient, it could breach its financial and other covenants and may be required to refinance all or part of its existing debt, use existing cash balances, issue additional equity or sell assets. AngloGold Ashanti cannot be sure that it will be able to do so on commercially reasonable terms, if at all.

AngloGold Ashanti intends to redeem its R2 billion corporate bond (which matures in August 2008) and refinance its $1 billion convertible bond (which matures in February 2009) before these bonds mature. AngloGold Ashanti cannot give assurance that it will be able to do so on commercially reasonable terms, if at all.

***Inflation may have a material adverse effect on AngloGold Ashanti's results of operations.***

Most of AngloGold Ashanti's operations are located in countries that have experienced high rates of inflation during certain periods.

Because it is unable to control the market price at which it sells the gold it produces (except to the extent that it enters into forward sales and other derivative contracts), it is possible that significantly higher future inflation in the countries in which AngloGold Ashanti operates may result in an increase in future operational costs in local currencies, without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold. This could have a material adverse effect upon AngloGold Ashanti's results of operations and its financial condition.

While none of AngloGold Ashanti's specific operations is currently materially adversely affected by inflation, significantly higher and sustained inflation in the future, with a consequent increase in operational costs, could result in operations being discontinued or reduced or rationalized at higher cost mines.

***AngloGold Ashanti's new order mining rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.***

AngloGold Ashanti's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of its mineral reserves and deposits are located in South Africa.

The Mineral and Petroleum Resources Development Act (MPRDA) vests custodianship of South Africa's mineral rights in the State. The State issues prospecting rights or mining rights to applicants. Prospecting, mining and mineral rights formerly regulated under the Minerals Act 50 of 1991 and common law are now known as old order mining rights and the transitional arrangements provided in Schedule II to the MPRDA give holders of such old order mining rights the opportunity to convert their old order mining rights into new order mining rights within specified time frames.

The Department of Minerals and Energy (DME) has published, pursuant to the MPRDA, the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Charter). Compliance with the Charter, measured using a designated Scorecard, requires that every mining company achieve 15 percent ownership by Historically Disadvantaged South Africans (HDSAs) of its South African mining assets by May 1, 2009, and 26 percent ownership by May 1, 2014 and achieve participation by HDSAs in various other aspects of management referred to below. The company has submitted to the DME two Social and Labor Plans – one for each of its main mining regions – detailing its specific goals in these areas.

The Scorecard allows for a portion of ‘offset’ against the HDSAs equity participation requirements insofar as companies have facilitated downstream, value-adding activities in respect of the products they mine. AngloGold Ashanti carries out such downstream activities and believes these will be recognized in terms of a framework currently being devised by the South African government.

AngloGold Ashanti has completed a number of asset sales to companies owned by HDSAs in the past (estimated to have been equivalent to 20 percent of AngloGold Ashanti’s South African production as at August 1, 2005, when its applications for the conversion of its West Wits and Vaal River mineral rights from old order to new order mineral rights were approved). Furthermore, at the end of 2006 AngloGold Ashanti implemented an Employee Share Ownership Plan (ESOP) and Black Economic Empowerment (BEE) transaction, collectively with a value equivalent to approximately 6 percent of its South African assets. This is consistent with the company’s stated strategic intention to develop means of promoting broad based equity participation in the company by HDSAs and with an undertaking made to the DME as a condition for the granting to the company of its new order mining rights. AngloGold Ashanti believes that it has made significant progress towards meeting the requirements of the Charter, the Scorecard and its own undertakings in terms of human resource development, employment equity, mine community and rural development, housing and living conditions, procurement and beneficiation, including the

implementation of programs to help achieve the requirement of having 40 percent of management roles being held by HDSAs
by 2010. AngloGold Ashanti will incur expenses in giving further effect to the Charter and the Scorecard and the implementation of the ESOP will affect the company's results of operations. See "Item 5.: Operating and financial review and
prospects – Establishment of a Black Economic Empowerment (BEE) transaction in South Africa" for a detailed discussion on
the implementation of an ESOP.

AngloGold Ashanti was informed on August 1, 2005, by the Director General of Minerals and Energy that its applications to
convert its old order mining rights to new order mining rights for its West Wits and Vaal River operations, as well as its
applications for new mining rights to extend its mining areas at its TauTona and Kopanang mines, had been successful. These
applications relate to all of its existing operations in South Africa. The notarial agreements for the converted West Wits mining
right and Block 1C11 new mining rights have been executed and registered as well as the agreements for Jonkerskraal, Weltevreden, Moab Extension Area and the new right for Edom, all of which form part of the Vaal River operations. Two
notarial agreements relating to the Vaal River operations are pending.

Even where new order mining rights are obtained under the MPRDA, these rights may not be equivalent to the old order mining
rights. The AngloGold Ashanti rights that have been converted and registered do not differ significantly from the relevant old
order rights. The duration of the new rights will no longer be perpetual as was the case under old order mining rights but rather
will be granted for a maximum period of 30 years, with renewals of up to 30 years each and, in the case of prospecting rights, a
maximum period of five years with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period
after prospecting of up to three years with one renewal of up to two years, subject to certain conditions, such as non-concentration of resources, fair competition and non-exclusion of others. In addition, the new order rights will only be transferable subject to the approval of the Minister of Minerals and Energy.

The new order mining rights can be suspended or cancelled by the Minister of Minerals and Energy if, upon notice of a breach
from the Minister, the entity breaching its obligations to comply with the MPRDA or the conditions of the notarial agreement
fails to remedy such breach. The MPRDA also imposes additional responsibilities on mining companies relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining
activities. AngloGold Ashanti has a policy of evaluating, minimizing and addressing the environmental consequences of its
activities and, consistent with this policy and the MPRDA, conducts an annual review of the environmental costs and liabilities
associated with the company's South African operations in light of the new, as well as existing, environmental requirements.

***The proposed introduction of South African State royalties where a significant portion of AngloGold Ashanti's mineral reserves and operations are located could have an adverse effect on its results of operations and its financial condition.***

The South African government has announced the details of the proposed new legislation whereby new order rights will be subject to a State royalty. The third draft of the Mineral and Petroleum Resources Royalty Bill was published on December 6, 2007 and provides for the payment of a royalty according to a formula based on earnings before interest, tax and depreciation. It is estimated that the formula could translate to a royalty rate of more than 4 percent of gross sales in terms of current pricing assumptions. The latest proposal results in a large increase from the 1.5 percent rate proposed in the second draft in 2006, and the company is making representations to the government through the South African Chamber of Mines to retain the proposed 1.5 percent rate. The payment of royalties is currently scheduled to begin on May 1, 2009, if the Bill is passed by Parliament in its current form.

***Certain factors may affect AngloGold Ashanti's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on its balance sheet.***

AngloGold Ashanti reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. AngloGold Ashanti values individual mining assets at the lowest level for which identifiable cash flows are identifiable and independent of cash flows of other mining assets and liabilities. If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure. If any of these uncertainties occur either alone or in combination, it could require management to recognize an impairment, which could adversely affect AngloGold Ashanti's results of operations and its financial condition.

***Diversity in interpretation and application of accounting literature in the mining industry may impact AngloGold Ashanti's reported financial results.***

The mining industry has limited industry specific accounting literature. As a result, diversity exists in the interpretation and application of accounting literature to mining specific issues. For example, AngloGold Ashanti capitalizes the drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proved and probable reserves at a development stage or production stage mine, whereas some companies expense such costs (see "Item 5.: Operating and financial review and prospects – critical accounting policies"). As and when diversity in interpretation and application is addressed, it may impact AngloGold Ashanti's reported results should the adopted interpretation differ from the position followed by AngloGold Ashanti.

***AngloGold Ashanti's mineral reserves and deposits and mining operations are located in countries that face political, economic and/or security risks.***

Some of AngloGold Ashanti's mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where AngloGold Ashanti operates, the formulation or implementation of government policies may be unpredictable on certain issues including regulations which impact on its operations and changes in laws relating to issues such as mineral rights and asset ownership, taxation, royalties, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings.

In 2007, the government of the Democratic Republic of Congo (DRC) announced an industry-wide review of all mining concessions and related agreements. The agreements related to the ownership and operation of AngloGold Ashanti's concessions in the DRC are also subject to this review by a commission as appointed by the DRC government. The commission has indicated that it is seeking to increase the DRC government's ownership in AngloGold Ashanti's concession, and increase land usage charges. The commission's review process, the timing and the final outcome of which AngloGold Ashanti is unable to predict, could result in an adverse change to AngloGold Ashanti in terms of these agreements which could have adverse impact upon AngloGold Ashanti's current exploration activities and potential future mining activities in the DRC.

Any existing and new mining and exploration operations and projects AngloGold Ashanti carries out in these countries are, and will be subject to, various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social/community relations and other matters.

If, in one or more of these countries, AngloGold Ashanti was not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control,

employment,
environmental and social laws and regimes, or the governing political authorities change materially, which could result in
changes to such laws and regimes, its results of operations and its financial condition could be adversely affected.

In Mali and Tanzania, AngloGold Ashanti is due refunds of input tax which remain outstanding for periods longer than those
provided for in the respective statutes. In addition, AngloGold Ashanti has outstanding assessments and unresolved tax
disputes in a number of countries. If the outstanding input taxes are not received, the tax disputes are not resolved and
assessments are not made in a manner favorable to AngloGold Ashanti, it could have an adverse effect upon its results of
operations and its financial condition.

In Argentina, the government is looking to apply export taxes of 5 percent to mining companies that were exempt therefrom.
AngloGold Ashanti has filed a claim with the courts to prevent payment of an export tax. If the outcome of the tax claim is
unfavorable to AngloGold Ashanti, it could have an adverse effect upon its results and operations and financial condition.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration operations, including the
DRC and Colombia, have in the past experienced and in certain cases continue to experience, a difficult security environment
as well as political instability. In particular, various illegal groups active in regions in which the company is present may pose a
credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on the company’s operations in such
regions. In the event that continued operations in these countries compromise AngloGold Ashanti’s security or business
principles, it may withdraw from these countries on a temporary or permanent basis, which in turn, could have an adverse
impact on its results of operations and its financial condition.

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***Labor disruptions and/or increased labor costs could have an adverse effect on AngloGold Ashanti's operating results and financial condition.***

As at December 31, 2007, approximately 77 percent (2006: 69 percent) of AngloGold Ashanti's workforce excluding contractors or 63 percent of total workforce was located in South Africa. Approximately 98 percent of the workforce on its South African operations is unionized, with the National Union of Mineworkers (NUM) representing the majority of unionized workers.

AngloGold Ashanti's employees in some South American countries and Ghana are also highly unionized. Trade unions have a significant impact on AngloGold Ashanti's labor relations climate, as well as on social and political reforms, most notably in South Africa.

It has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. An agreement was signed with the unions in August 2007, following negotiations between NUM, United Associations of South Africa (UASA) on behalf of some clerical and junior management staff and Solidarity (on behalf of a small number of miners) and the Chamber of Mines. A two-year deal was reached without resorting to any industrial action.

Labor costs represent a substantial proportion of AngloGold Ashanti's total operating costs and in many operations, including South African operations, is the company's single largest operating cost category. The two-year wage agreement will be reviewed in June 2009 in negotiation with NUM, UASA, Solidarity and the Chamber of Mines and any increases in labor costs have to be off-set by greater productivity efforts by all operations and employees.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of AngloGold Ashanti's operations. It is uncertain whether labor disruptions will be used to advocate labor, political or social goals in the future. Should any labor disruptions occur, if material, they could have an adverse effect on AngloGold Ashanti's results of operations and its financial condition.

***The use of mining contractors at certain of AngloGold Ashanti's operations may expose it to delays or suspensions in mining activities and increases in mining costs.***

Mining contractors are used at certain of AngloGold Ashanti's mines, including Sadiola, Morila and Yatela in Mali, Siguiri in Guinea, Iduapriem in Ghana and Sunrise Dam in Australia, to mine and deliver ore to processing plants. Consequently, at these mines, AngloGold Ashanti does not own all of the mining equipment and may face disruption of operations and incur costs and liabilities in the event that any of the mining contractors at these mines has financial difficulties, or should there be a dispute in renegotiating a mining contract, or a delay in replacing an existing contractor. Furthermore, increases in contract mining rates, in the absence of associated productivity increases, will have an adverse impact on the company's results of operations and financial condition.

***AngloGold Ashanti competes with mining and other companies for key human resources.***

AngloGold Ashanti competes with mining and other companies on a global basis to attract and retain key human resources at
all levels with appropriate technical skills and operating and managerial experience necessary to continue to operate its
business. This is further exacerbated in the current environment of increased mining activity across the globe combined with
the global shortage of key mining industry human resource skills, including geologists, mining engineers, metallurgists and
skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of the global industry wide
shortages, AngloGold Ashanti is also required to achieve employment equity targets of participation by HDSAs in management
and other positions.

AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with
the necessary skills and experience. For further details see the risk factor "AngloGold Ashanti's new order mineral rights in
South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in
respect of the acquisition of these rights".

There can be no assurance that AngloGold Ashanti will attract and retain skilled and experienced employees and, should it fail
to do so or lose any of its key personnel, its business and its financial condition could be adversely affected.

***AngloGold Ashanti faces certain risks in dealing with HIV/AIDS which may adversely affect its results of operations and its financial condition.***

AIDS remains the major health care challenge faced by AngloGold Ashanti's South African operations. The South African workforce prevalence studies indicate that the percentage of AngloGold Ashanti's South African workforce that may be infected by HIV may be as high as 30 percent. Accurate prevalence data for AIDS is not available owing to doctor-patient confidentiality.

AngloGold Ashanti is continuing to develop and implement various programs aimed at helping those who have been infected with HIV and preventing new infections. Since 2001 AngloGold Ashanti has offered a voluntary counseling and HIV testing program for employees in South Africa. In 2002 AngloGold Ashanti began to offer anti-retroviral therapy (ART) to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, AngloGold Ashanti has treated all eligible employees desiring it. Currently approximately 4,600 employees are on the wellness program and as at December 2007, approximately 2,100 employees were receiving treatment using anti-retroviral drugs.

The cost of providing rigorous outcome-focused disease management of employees with AIDS, including the provision of an anti-retroviral therapy, is on average R1,300 ($185) per employee on treatment per month. It is not yet possible to develop an accurate cost estimate of the program in its entirety, given uncertainties such as drug prices and the ultimate rate of employee participation.

AngloGold Ashanti does not expect the cost that it will incur related to the prevention of HIV infection and the treatment of AIDS to materially and adversely affect its results of operations. Nevertheless, it is not possible to determine with certainty the costs that AngloGold Ashanti may incur in the future in addressing this issue, and consequently its results of operations and its financial condition could be adversely affected.

***AngloGold Ashanti faces certain risks in dealing with malaria, particularly at its operations located in Africa, which may have an adverse effect on its results of operations.***

Malaria is a significant health risk at all of AngloGold Ashanti's operations in Central, West and East Africa where the disease assumes epidemic proportions because of ineffective national control programs. The disease is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Consequently, if uncontrolled, the disease could have an adverse effect upon productivity and profitability levels of AngloGold Ashanti's operations located in these regions.

***The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect upon the results of AngloGold Ashanti's operations and its financial condition.***

The primary areas of focus in respect of occupational health within AngloGold Ashanti's operations are noise-induced hearing

loss (NIHL), occupational lung diseases (OLD) and tuberculosis (TB). AngloGold Ashanti provides occupational health services
to its employees at its occupational health centers and it continues to improve preventative occupational hygiene initiatives. If
the costs associated with providing such occupational health services increase, such increase could have an adverse effect on
AngloGold Ashanti's results of operations and its financial condition.
Furthermore, the South African government, by way of a cabinet resolution in 1999, proposed a possible combination and
alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for compensation to
miners who have OLD, TB and combinations thereof, and the Compensation for Occupational Injuries and Diseases Act
(COIDA) that provides for compensation to non-miners who have OLD.
COIDA provides for compensation payments to workers suffering permanent disabilities from OLD, which are classified as
pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the
permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers
suffering from OLD. The capitalized value of a pension liability (in accordance with COIDA) is usually greater than that of a
lump sum compensation payment (under ODMWA). In addition, under COIDA compensation becomes payable at a lower
threshold of permanent disability than under ODMWA. It is estimated that under COIDA about two to three times more of
AngloGold Ashanti's employees would be compensated as compared with those eligible for compensation under ODMWA.
If the proposed combination of COIDA and ODMWA were to occur, this could further increase the level of compensation claims
AngloGold Ashanti could be subject to and consequently could have an adverse effect on its financial condition.

Mr Thembekile Mankayi instituted a legal action against AngloGold Ashanti in October 2006 in the High Court, Witwatersrand
Local Division. Mr Mankayi is claiming approximately R2.6 million for damages allegedly suffered by him as a result of silicosis
allegedly contracted whilst working on mines now owned by AngloGold Ashanti. An exception has been filed by AngloGold
Ashanti against the claim and was heard in the High Court early February 2008. AngloGold Ashanti filed the exception on the
basis that mine employers are insured in terms ODMWA and COIDA against compensable diseases and this prevents any
delictual claims by employees against employers. Judgment has been reserved. If AngloGold Ashanti is unsuccessful in
defending this suit, it could be subject to numerous similar claims which could have an adverse effect on its financial condition.
In response to the effects of silicosis in labor sending communities, a number of mining companies (under the auspices of the
Chamber of Mines), together with the National Union of Mineworkers (NUM) which is the largest union in the mining sector and
the national and regional departments of health have embarked on a project to assist in the delivery of compensation and relief
to communities that have been affected.
***The costs associated with the pumping of water inflows from closed mines adjacent to AngloGold Ashanti's operations could have an adverse effect upon its results of operations.***
Certain of AngloGold Ashanti's mining operations are located adjacent to the mining operations of other mining companies.
The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate
preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at
the adjacent closed mine are suspended. Such ingress could have an adverse effect upon any one of AngloGold Ashanti's
mining operations as a result of property damage, disruption to operations and additional pumping costs.
AngloGold Ashanti has embarked on legal action in South Africa after the owner of an adjacent mine put the company owning
the adjacent mining operation into liquidation, raising questions about its and other companies' willingness to meet their water
pumping obligations.
The relevant mining companies have entered into a settlement agreement. As part of the settlement arrangement the mining
companies have formed and registered a not-for-profit company, known as the Margaret Water Company, to conduct water
pumping activities from the highest lying shaft which is currently owned by Stilfontein Gold Mining Company (in liquidation).
The three mining companies will contribute equally to the cost of establishing and initially running the Margaret Water
Company.
***The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may adversely affect its cash flows and overall profitability.***
AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse
effect on its operations and profitability. This insurance is maintained in amounts that are believed to be reasonable

depending
upon the circumstances surrounding each identified risk.
However, AngloGold Ashanti's insurance does not cover all potential risks associated with its business. In addition, AngloGold
Ashanti may elect not to insure certain risks, due to the high premiums associated with insuring those risks or for various other
reasons, including an assessment that the risks are remote. Furthermore, AngloGold Ashanti may not be able to obtain
insurance coverage at acceptable premiums. AngloGold Ashanti has a captive insurance company, namely AGRe Insurance
Company Limited, which participates at various levels in certain of the insurances maintained by AngloGold Ashanti. The
occurrence of events for which it is not insured may adversely affect AngloGold Ashanti's cash flows, overall profitability and its
financial condition.

**Risks related to AngloGold Ashanti's ordinary shares and American Depositary Shares (ADSs)**

***Sales of large quantities of AngloGold Ashanti's ordinary shares and ADSs, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities, as could future offerings of AngloGold Ashanti's ordinary shares, ADSs or securities exchangeable or exercisable for ordinary shares or ADSs..***

The market price of AngloGold Ashanti's ordinary shares or ADSs could fall if large quantities of ordinary shares or ADSs are
sold in the public market, or there is the perception in the marketplace that such sales could occur. Subject to applicable
securities laws, holders of AngloGold Ashanti's ordinary shares or ADSs may decide to sell them at any time. The market price
of AngloGold Ashanti's ordinary shares or ADSs could also fall as a result of any future offerings it makes of ordinary shares,
ADSs, or securities exchangeable or exercisable for its ordinary shares or ADSs, or the perception in the marketplace that
these sales might occur. AngloGold Ashanti may make such offerings, including offerings of additional ADS rights, letters of
allocation or similar securities at any time or from time to time in the future.

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AngloGold Ashanti has entered into a registration rights agreement with Anglo American plc (AA plc) that would facilitate
US registration of additional offers and sales of AngloGold Ashanti shares that AA plc makes in the future, subject to certain
conditions. Sales of AngloGold Ashanti ordinary shares or AngloGold Ashanti ADSs if substantial, or the perception that sales
may occur and be substantial, could exert downward pressure on the prevailing market prices for AngloGold Ashanti ordinary
shares or AngloGold Ashanti ADSs, causing their market prices to decline. In April 2006, AA plc sold 19,685,170 AngloGold
Ashanti ordinary shares and, in October 2007, sold an additional 69,100,000 AngloGold Ashanti ordinary shares. These and
other sales combined with the dilutive effect of AngloGold Ashanti's issuance of 9,970,732 ordinary shares in April 2006,
reduced AA plc's shareholding in AngloGold Ashanti from approximately 51 percent of issued AngloGold Ashanti shares as at
April 19, 2006 to approximately 16.6 percent as at October 9, 2007. AA plc has stated that it intends to reduce and ultimately
exit its gold company holdings and that it will continue to explore all available options to exit AngloGold Ashanti in an orderly
manner. Sales or distributions of substantial amounts of AngloGold Ashanti ordinary shares or AngloGold Ashanti ADSs or the
perception that sales or distributions may occur, could adversely affect the market price for AngloGold Ashanti ordinary shares
or AngloGold Ashanti ADSs.

***Fluctuations in the exchange rate of different currencies may reduce the market value of AngloGold Ashanti's securities, as well as the market value of any dividends or distributions paid by AngloGold Ashanti.***

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may
have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the US dollar value of
these dividends, as well as of any other distributions paid by the relevant depositary to investors that hold AngloGold Ashanti's
securities. This may reduce the value of these securities to investors. The Memorandum and Articles of Association of the
company allows for dividends and distributions to be declared in any currency at the discretion of AngloGold Ashanti's board of
directors, or its shareholders at a general meeting. If and to the extent that AngloGold Ashanti opts to declare dividends and
distributions in dollars, exchange rate movements will not affect the dollar value of any dividends or distributions, nevertheless,
the value of any dividend or distribution in Australian dollars, British pounds, Ghanaian cedis or South African rands will
continue to be affected. If and to the extent that dividends and distributions are declared in South African rands, exchange rate
movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and US dollar value of these dividends
and distributions. Furthermore, the market value of AngloGold Ashanti's securities as expressed in Australian dollars, British
pounds, Ghanaian cedis, US dollars and South African rands will continue to fluctuate in part as a result of foreign

exchange
fluctuations.

***The recently announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact on the amount of dividends or other distributions received by the company's shareholders.***

On February 21, 2007, the South African Government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. This proposal is expected to be implemented in phases between 2007 and 2009. Although this may reduce the tax payable by the South African operations of the company thereby increasing distributable earnings, the withholding tax will generally reduce the amount of dividends or other distributions received by AngloGold Ashanti shareholders.

**Item 4: Information on the company**

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

**4A.**

**History and development of the company**

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 20 operations are located
in ten 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 proven and probable Ore Reserves of the group
amounted to 72.2 million ounces as at December 31, 2007.

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 (formerly AngloGold 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. Its principal executive office is located at 76 Jeppe Street,
Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa (Telephone +27 11 637 6000), AngloGold
Ashanti's US offices are at the offices of AngloGold Ashanti North America Incorporated, 7400 East Orchard Road, Suite 350,
Greenwood Village, CO 80111.

AngloGold Limited 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, namely 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 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 authorized share capital, effective March 30, 1998.

AngloGold acquired minority shareholders interests in Driefontein Consolidated Limited (17 percent); Anmercosa Mining (West
Africa) Limited (100 percent); Western Ultra Deep Levels Limited (89 percent); Eastern Gold Holdings Limited (52 percent);
Erongo Mining and Exploration Company Limited (70 percent).

In 1999, AngloGold purchased Minorco's gold interests in North and South America and acquired Acacia Resources in Australia.

In 2000, AngloGold acquired a 40 percent interest in the Morila mine in Mali from Randgold Resources Limited, acquired a 50 percent interest in the Geita mine in Tanzania from Ashanti Goldfields Company Limited (Ashanti) (in 2004, following the business combination with Ashanti, AngloGold acquired the remaining 50 percent interest) and in support of its market development initiatives acquired a 25 percent interest in OroAfrica, South Africa's largest manufacturer of gold jewellery.

In 2001, AngloGold sold the Elandsrand and Deelkraal mines to Harmony Gold Mining Company Limited (Harmony), disposed of AngloGold's interests in No. 2 Shaft Vaal River Operations to African Rainbow Minerals (ARM) and made an unsuccessful take-over bid for Normandy Mining Limited.

In 2002, the sale of AngloGold’s Free State assets to ARM and Harmony became effective. Also in 2002, AngloGold acquired an additional 46.25 percent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, increasing its interest in Cerro Vanguardia to 92.5 percent and disposed of AngloGold's wholly owned subsidiary, Stone and Allied Industries (O.F.S.) Limited.

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In 2003, AngloGold disposed of its wholly owned Amapari project to Mineração Pedra Branca do Amapari, finalized the sale of
its 49 percent stake in the Gawler Craton Joint Venture, including the Tunkillia project located in South Australia to Helix
Resources Limited, concluded the sale of its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc,
disposed of its entire investment in East African Gold Mines Limited and in Randgold Resources Limited and purchased a
portion of the Driefontein mining area in South Africa from Gold Fields Limited.
In 2004, AngloGold sold its Western Tanami project to Tanami Gold NL in Australia, the business combination between
AngloGold and Ashanti Goldfields Company Limited was completed, resulting in the company changing its name to AngloGold
Ashanti Limited, AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of $1 billion principal amount
2.375 percent convertible bonds, due 2009 and guaranteed by AngloGold Ashanti. Also in 2004, AngloGold Ashanti acquired
a 29.8 percent stake in Trans-Siberian Gold plc (TSG), sold its Union Reefs assets to the Burnside Joint Venture, comprising
subsidiaries of Northern Gold NL (50 percent) and Harmony (50 percent), disposed of its entire interest in Ashanti Goldfields
Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited, subscribed for a 12.3 percent stake in the expanded issued
capital of Philippines explorer Red 5 Limited and sold its 40 percent equity interest in Tameng Mining and Exploration (Pty)
Limited of South Africa (Tameng) to Mahube Mining (Pty) Limited.
In January 2005, AngloGold Ashanti completed a substantial restructuring of its hedge book. Also in 2005, AngloGold Ashanti
signed a three-year $700 million revolving credit facility, sold exploration assets in the Laverton area in Australia, disposed of
its La Rescatada project to ARUNANI SAC, a local Peruvian corporation, with an option to repurchase 60 percent of the project
should economically viable reserves in excess of 2 million ounces be identified within three years. 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.
In 2006, AngloGold Ashanti raised $500 million in an equity offering, signed a Heads of Agreement with Antofagasta plc to
jointly explore a highly prospective belt in Southern Colombia for new gold and copper deposits which was mutually dissolved
in 2007, disposed of its entire business undertaking, related to the Bibiani mine and Bibiani North prospecting permit to Central
African Gold plc, 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 would co-operate in
exploration and the acquisition and development of gold mining opportunities within the Russian Federation and implemented
an empowerment transaction with two components: the development of an employee share ownership plan (ESOP)

and the
acquisition by Izingwe Holdings (Proprietary) Limited (an empowerment company) of an equity interest in AngloGold Ashanti
and acquired an effective 8.7 percent stake in China explorer, Dynasty Gold Corporation.
Also in 2006, AngloGold Ashanti and B2Gold (formerly Bema Gold) formed a new company to jointly explore a select group of
AngloGold Ashanti's mineral opportunities located in northern Colombia, South America and AngloGold Ashanti (U.S.A.)
Exploration Inc, 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 percent
interest in six Alaskan mineral exploration properties and associated databases in return for a 19.99 percent interest in ITH.
AngloGold Ashanti has the option to increase or dilute its stake in these projects, subject to certain conditions.
On February 5, 2007, AngloGold Ashanti informed the market that a partial slope failure had occurred in an intermediate
footwall of the Nyankanga pit at Geita Gold Mine on Saturday February 3, 2007. The pit had been monitored by slope stability
radar and was safely evacuated in advance of the failure. No injury to employees or contractors occurred and there was no
damage to equipment.
On February 13, 2007, the AngloGold Ashanti board approved a project to develop the Mponeng mine below the 120 level,
adding some 2.5 million ounces of gold and 8 years to the mine's life, at a capital cost of $252 million. Production is due to
commence in 2013.
On May 4, 2007, AngloGold Ashanti announced that Messrs CB Brayshaw and AJ Trahar retired from the board effective
May 5, 2007. AngloGold Ashanti further announced that Mrs C Carroll had been appointed as a non-executive director with
effect from May 5, 2007.
On June 1, 2007, AngloGold Ashanti Australia Ltd announced the commencement of a pre-feasibility study at the Tropicana
gold project in Western Australia. Tropicana, located 400 kilometers north-east of Kalgoorlie, is a joint venture between
AngloGold Ashanti Australia (70 percent) and Independence Group NL (30 percent free carried to completion of the pre-
feasibility study). The study is expected to be completed in mid-2008 and will focus on the Tropicana and Havana zones and
will only consider open-cut resources.

On June 8, 2007, AngloGold Ashanti announced that it would sell, subject to certain conditions, to a consortium of Mintails South Africa (Pty) Limited/DRD South African Operations (Pty) Limited Joint Venture most of the remaining moveable and immovable assets of Ergo, the surface reclamation operation east of Johannesburg, discontinued in March 2005. The site is currently being rehabilitated by AngloGold Ashanti. The joint venture will operate, for its own account, under the AngloGold Ashanti authorizations until new order mining rights have been obtained and transferred to the joint venture.

On July 11, 2007, AngloGold Ashanti announced the resignation from the board of Mr AH Calver as Mr WA Nairn's alternate.

On July 31, 2007, the board of directors announced the retirement of Mr RM Godsell, (AngloGold Ashanti's Chief Executive Officer) and the resignation of Mr R Carvalho Silva (Chief Operating Officer – International) from the company effective September 30, 2007 and the appointments of Mr M Cutifani as Chief Executive Officer and Mr N Nicolau, (formerly Chief Operating Officer – Africa) as Chief Operating Officer for all operations as of October 1, 2007. Subsequently, on November 12, 2007, it was announced that due to further operational management restructure, Mr N Nicolau had resigned from the board to pursue other opportunities.

In August 2007, AngloGold Ashanti through the South African Chamber of Mines signed a two-year wage agreement effective from July 2007, with the three recognized mining unions. This agreement covers some 29,000 category 3-8 workers, miners, artisans and officials in the company's South African operations and was achieved through a mediated outcome. In terms of the agreement: the first year increases from July 2007 range from 10 percent for the lower categories of worker to 8 percent for officials and include a special dispensation for the benefit of artisans and some skilled occupations. Some improvements to leave conditions and housing allowances were also agreed. Second year increases from July 2008 will be determined at South African CPIX plus 1 percent with a minimum of an 8 percent increase.

The company completed the acquisition of minority interests previously held by the Government of Ghana (5 percent) and the International Finance Corporation (10 percent) in the Iduapriem and Teberebie mine effective September 1, 2007 for a total cash consideration of $25 million. Iduapriem and Teberebie is now wholly-owned by AngloGold Ashanti. The company is in the process of finalizing the purchase price allocation of fixed assets. The final purchase price allocation is not expected to vary significantly from the preliminary allocation.

On September 18, 2007, AngloGold Ashanti announced that Mr M Cutifani was appointed to the board effective September 17, 2007, as Chief Executive Officer designate. Mr Cutifani succeeded Mr RM Godsell as Chief Executive Officer, on his retirement with effect from October 1, 2007.

On October 1, 2007, AngloGold Ashanti noted the announcement by Anglo American plc that it intended to offer for sale, 61 million ordinary shares of AngloGold Ashanti in the form of ordinary shares and American Depositary Shares pursuant to the registration of such securities under AngloGold Ashanti's automatic shelf registration statement.

On October 2, 2007, AngloGold Ashanti noted the announcement by Anglo American plc that Anglo American had completed an offering of 67.1 million ordinary shares of AngloGold Ashanti in the form of ordinary shares and American Depositary Shares (ADS) priced at US$44.00 per ADS (US$44.11 inclusive of uncertificated securities tax payable by investors in ADSs) and R300.61 per ordinary share (exclusive of uncertificated securities tax). The offering which was launched on October 1, 2007 was increased from the earlier announced 61 million ordinary shares. The offering price represented discounts of 6.16 percent and 7.84 percent to the closing prices of the ADSs and ordinary shares in New York and Johannesburg, respectively, on Friday, September 28, 2007. The offering settled on October 9, 2007. On completion of the offering, Anglo American's holding in AngloGold Ashanti was 17.3 percent. An additional 2 million shares were sold by Anglo American in a private placement, further reducing its shareholding to 16.6 percent.

Following the settlement of the offering and the consequent reduction in shareholding, all the directors representing Anglo American plc on the AngloGold Ashanti board, namely Mrs C Carroll and Mr R Médori, together with his alternate Mr PG Whitcutt resigned from the AngloGold Ashanti board, effective October 9, 2007.

On December 12, 2007, AngloGold Ashanti announced the successful closing of a $1.15 billion syndicated revolving loan facility. The new three-year facility will be used to refinance an existing $700 million revolving credit facility (due January 2008), an A$200 million facility and for general corporate purposes.

On January 14, 2008, AngloGold Ashanti announced that it had agreed to acquire 100 percent of Golden Cycle Gold Corporation (GCGC) through a transaction in which GCGC's shareholders will receive 29 AngloGold Ashanti ADRs for every 100 shares of GCGC common stock held. GCGC holds a 33 percent shareholding in Cripple Creek & Victor while AngloGold Ashanti holds the remaining 67 percent. The transaction will result in Cripple Creek & Victor being wholly-owned by AngloGold Ashanti. The transaction is subject to a number of regulatory and statutory approvals, including approval by GCGC shareholders. The transaction, at the date of announcement was valued at approximately $149 million.

On January 18, 2008, AngloGold Ashanti provided operation guidance to its fourth quarter 2007 results, in which it was stated
that the company's South African and Geita operations had experienced production difficulties resulting in the group's production for the quarter to be of the region of 1.4 million ounces.
On January 25, 2008, AngloGold Ashanti announced that following notification from Eskom regarding interruptions to power
supplies, it had halted mining and gold recovery operations on all of its South African operations. Only underground emergency pumping work was being carried out.
On January 27, 2008, AngloGold Ashanti announced it had agreed a process with Eskom, whereby the supplier would give its
normal guarantees for sufficient power for the company to undertake shifts from that day for the purpose of re-establishing safe
workplaces at each of the deep level underground mines in South Africa. The company was anticipating a ramp up in additional power later in the week that should enable a phased return to normal mining operations. A protocol had also been
agreed with the electricity supplier whereby Eskom will provide the company with four hours warning, prior to having to reduce
power supply.
On January 29, 2008, AngloGold Ashanti announced that following a meeting between Eskom and industrial electricity
consumers, the company had commenced the process of bringing back into production all of its underground mines and their
associated gold treatment plants. On February 7, 2008, AngloGold Ashanti stated that following extensive discussions with
Eskom and government, a power supply of 90 percent had been offered which has resulted in first quarter production from the
South African operations being severely disrupted. Equally important is Eskom's ability to maintain a continuous power supply
at a 90 percent level in order to return to normal production levels and milling rates.
On February 14, 2008, AngloGold Ashanti announced that it had entered into a binding memorandum of agreement (MOA)
with B2Gold Corp. (B2Gold). The MOA provides for the existing Colombian joint venture agreements between AngloGold
Ashanti and B2Gold to be amended to provide that B2Gold acquire from AngloGold Ashanti additional interest in certain
mineral properties in Colombia. In exchange, B2Gold would issue to AngloGold Ashanti 25 million common shares and
21.4 million common share purchase warrants in B2Gold. Subsequently, the transaction was finalized, as announced by
AngloGold Ashanti on May 16, 2008.
On April 14, 2008 it was announced that, following the stabilization of power provided by Eskom (the South African electricity
supply body) to the South African operations during the quarter, AngloGold Ashanti forecast the first quarter production to be
approximately 1.19 million ounces. The revised production outlook was approximately 8 percent above guidance provided in
the fourth quarter of 2007. AngloGold Ashanti had also fully delivered into maturing hedge contracts during the quarter. On
January 25, 2008, the South African national power supplier, Eskom, had communicated that it could not guarantee power supply to

AngloGold Ashanti's South African operations. Precautionary steps were taken for the safety of employees, including ceasing the transportation of employees underground to carry-out mining activities and the cessation of milling activities. Following extensive discussions with Eskom and the South African government, Eskom agreed to guarantee a power supply equivalent to 90 percent of previous supply and undertook to more reliably warn companies when power outages may occur. Mining operations resumed on Wednesday, January 30, 2008 at AngloGold Ashanti's South African mines and in late March 2008, Eskom increased power supply to 96.5 percent of previous levels. At these power levels and as a result of the company's previously implemented and ongoing initiatives to improve its energy efficiencies, the company has been able to restore production back to 100 percent of previous capacity. Since 2004, AngloGold Ashanti and Eskom have undertaken and committed funds and other resources to various initiatives to improve energy efficiencies and reduce power consumption at AngloGold Ashanti's South African mines. These combined efforts have resulted in a decline in the use of electricity, fuel and coal and have to date achieved a 17 percent improvement in energy efficiencies at the company's South African operations.

AngloGold Ashanti views these initiatives as being important not only in the light of power shortages and related disruption to its mining operations but also in that it anticipates that these initiatives will assist in managing future operating cost increases in the light of anticipated increases in unit electrical power, fuel and other energy costs. AngloGold Ashanti anticipates that these ongoing initiatives will allow it to achieve electricity consumption at a level of 90 percent of previous consumption by 2009.

On May 6, 2008, AngloGold Ashanti announced a significant greenfields discovery at its 100 percent owned La Colosa exploration site. A conceptual economic study completed during the quarter had defined, with upside potential, 12.9 million ounces of inferred Mineral Resource at that site.

Also on May 6, 2008 AngloGold Ashanti announced that it intends to proceed, subject to certain conditions, with an approximate one-for-four renounceable rights offer, which would result in AngloGold Ashanti issuing approximately 69.4 million shares at a minimum share price of ZAR172 raising approximately ZAR11.9 billion ($1.6 billion based on an exchange rate of ZAR7.56/$1.00 on May 5, 2008). The proposed rights offer is being fully underwritten subject to certain customary conditions. The final rights offer price will be announced at the time of the announcement of the rights offer. The proposed rights offer will be subject to approval at a general meeting of AngloGold Ashanti shareholders to be held on May 22, 2008.

The principal purpose of the rights offer is to provide AngloGold Ashanti with additional financial resources to improve its financial flexibility. In particular, the net proceeds from the rights offer will allow AngloGold Ashanti both to significantly restructure and reduce its existing gold hedging position, which has adversely affected its financial performance in recent years, while also being able to continue to fund its principal development projects and exploration growth initiatives. Pending this use of proceeds, the net proceeds of the rights offer may, in the interim, be used by AngloGold Ashanti to reduce its short-term borrowings and the borrowings outstanding on AngloGold Ashanti's revolving credit facility or retained as cash and invested in accordance with AngloGold Ashanti's cash management policies.

AngloGold Ashanti has traditionally used gold hedging instruments to protect a portion of its anticipated gold sales against declines in the market price of gold. The use of these instruments has prevented AngloGold Ashanti from fully participating in the significant increase in the market price for gold in recent years. As at December 31, 2007, the total net delta tonnage of AngloGold Ashanti's hedge positions was 10.39 million ounces and the total committed hedge position was 11.28 million ounces, an increase of 0.16 million ounces and a reduction of 0.34 million ounces against the December 31, 2006, hedge delta and hedge committed position, respectively. As at December 31, 2007, the marked-to-market value of all hedge transactions making up the hedge positions was negative $4.27 billion.

Since the beginning of 2008, prevailing spot gold prices have been significantly higher than those prevailing during 2007. If these high prices continue to prevail, AngloGold Ashanti estimates that its gold hedging position will continue to have a significant adverse affect upon its financial performance. AngloGold Ashanti believes that this has also negatively affected the market price of its ordinary shares, further constraining its financial flexibility.

In order to address this issue, AngloGold Ashanti intends to early settle certain contracts otherwise due to mature in 2009 and 2010 during the course of 2008 in addition to settling contracts due to mature in 2008. Given the low committed prices of these contracts, AngloGold Ashanti expects that if these measures were implemented it would result in a realization of previously recognized losses for contracts historically recognized on Balance Sheet on a marked–to–market basis. These losses would be measured by the difference between the committed price of the contracts and the prevailing gold price at the time that these contracts are settled. If the restructuring is implemented as anticipated the received price for the remainder of 2008 should be approximately $475 per ounce assuming a gold price of $900 per ounce and gold production for the last nine months of 2008 of 3.8 million ounces.

AngloGold Ashanti also continues to give consideration to the early settlement of contracts not currently recorded on balance sheet (Normal Purchase Normal Sale Exemption (NPSE)) by means of early physical delivery. Such early physical settlement, if it were to occur, would result in a significant adverse impact on our 2008 recorded revenues in AngloGold Ashanti's income statement, as sales that would have otherwise been executed at the spot price of gold will be replaced with sales based on the earlier contracted prices of such NPSE contracts that are settled during the year. Furthermore should AngloGold Ashanti conclude that such early physical settlement of NPSE contracts represents a tainting event, it would be required to recognize on balance sheet the fair value of a portion of, or potentially all of, the existing NPSE contracts, which would result in a significant adverse impact on its financial statements. No such conclusion has yet been made by AngloGold Ashanti and it is still considering the potential impact of any such transaction.

In addition to the settlement of certain contracts during 2008 AngloGold Ashanti also intends to restructure some of the remainder of its hedge book in order to achieve greater participation in the spot price for gold beyond 2009. The exact nature and extent of the restructuring will depend upon prevailing and anticipated market conditions at the time, particularly the prevailing gold price and exchange rates as well as other relevant economic factors.

If the restructuring is executed as currently anticipated, the overall impact would be to reduce the hedge book to approximately 6.25 million ounces, which would represent 8.6 percent of AngloGold Ashanti's ore reserves as at December 31, 2007. As a result of this reduction the discount to the spot gold price realized during 2009 is estimated to be approximately 6 percent and at a similar level thereafter assuming a gold price of $900 per ounce.

On May 15, 2008 AngloGold Ashanti announced that it had terminated the process related to its proposed sale of its interests in the Morila Gold Mine in Mali, due to the fact that no proposals were received which met the company's value criteria for such a sale. AngloGold Ashanti will therefore remain a joint venture partner together with Randgold Resources Limited and the Government of Mali in the Morila Gold Mine. Randgold Resources will continue as operators of the mine.

**4B. Business overview**

**The market for gold**

*Products*

AngloGold Ashanti's main product is gold. Revenue is also derived from the sales of silver and uranium oxide. AngloGold Ashanti sells its products on world markets.

*Gold market*

The gold market is relatively liquid compared to many other commodity markets. Physical demand for gold is primarily for fabrication purposes, including jewellery (which accounts for just less than 80 percent of fabricated demand), electronics, dentistry, decorations, medals and official coins. In addition, central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value (a consequence of the tendency of gold to retain its value in relative terms against basic goods, and particularly in times of inflation and monetary crisis) and the large quantities of gold held for this purpose in relation to annual mine production have meant that, historically, the potential total supply of gold is far greater than demand at any one time. Thus, while current supply and demand play some part in determining the price of gold, this does not occur to the same extent as with other commodities. Instead, the gold price has from time to time been significantly affected by macro-economic factors such as expectations of inflation, interest rate changes, exchange rate changes, changes in reserve policy by central banks, and by global or regional political and economic events. In times of price inflation and currency devaluation, gold is often bought as a store of value, leading to increased purchases and support for the price of gold.

*The market in 2007*

Continued strong levels of investor and speculator interest, particularly in the fourth quarter of the year, pushed the gold price to levels just short of record highs, records which were then surpassed soon after year end in an exceptionally buoyant market.

The average gold spot price for the year, at $697 per ounce, was 15 percent higher than that in 2006.

Although prices were relatively range-bound during the first half of the year, the end of the third quarter and the fourth quarter saw a strong surge in the dollar gold price and particularly high levels of investor interest. Fabrication demand followed an inverse pattern, with the more stable prices of the first half leading the market to record high levels of jewellery consumption in certain regions, which then fell away in the fourth quarter as price volatility took its toll, particularly in more price-sensitive markets. The exception to this pattern was the Chinese market, where jewellery demand remained relatively solid in the fourth quarter despite the high levels of price volatility.

The main contributing factor to the price gains seen in the second half of the year was economic uncertainty relating to credit concerns and the impact of the sub-prime mortgage crisis in the US. Inflationary concerns driven by higher food, oil and

commodity prices also played a role, as did the escalation in geopolitical tension, particularly at year-end.
Rand gold prices saw new record highs of R187,000 per kilogram during the year and an average spot price for the year of just
over R157,000 per kilogram.

*Investment*

Overall, the investment market saw lower levels of demand than in 2006, however, this demand was heavily concentrated in
the last half of 2007, for the aforementioned reasons.
Particular strength was exhibited in trade on commodity exchanges and also in the gold Exchange-Traded Funds (ETFs). Total
ETF holdings at year-end stood at close to 28 million ounces, with a total value of over $23 billion. This represents a significant
level of growth over year-end holdings in 2006, even though this itself represented a doubling over levels of funds held the
previous year. The majority of ETF investment occurred in the US-listed fund, StreetTracks.

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*Demand*

Over the first half of 2007, physical demand from jewellery fabrication recovered strongly from the low levels of 2006, reaching record highs in several major markets. In the second half of the year, however, this level of demand could not be sustained in the face of a more volatile price environment, which impacted heavily on traditional markets, and with the increasingly difficult consumer and retail environment in developed markets such as the US.

Overall, fabrication demand for jewellery in 2007 increased by 6 percent in tonnage terms over 2006 levels, with the bulk of that increase contributed by the larger emerging markets of East Asia, India and the Middle East. European demand is expected to remain flat, whereas demand from the US market fell in tonnage terms by 14 percent over 2006.

It was in the Indian market that the contrast in consumption levels between the two halves of the year was most marked.

Demand reached record levels in rupee and tonnage terms for both jewellery and retail investment in the second quarter of the year. Together these totaled 317 tonnes, half of global mine output for the quarter and 90 percent higher than the relatively low level attained in the same quarter in 2006.

Demand in the first half of the year increased by 72 percent over the corresponding period in the previous year. This strong level of consumption was fuelled in part by economic growth, particularly in the agricultural sector, as well as by a stable rupee gold price. In the second half of the year, however, the rupee/dollar exchange rate showed significant volatility, and this combined with a period of volatility in dollar gold prices created a set of circumstances unfavorable to gold consumption. Price volatility is a significant deterrent to demand in the Indian market, and in the second half of 2007 the periods of most extreme price volatility coincided with some of the more auspicious gold buying occasions, such as Diwali. Demand in the fourth quarter was particularly poor and fourth quarter offtake reached the lowest level since the early 1990s. Over the year as a whole, an increase in jewellery offtake in tonnage terms of 6 percent was recorded.

Demand in the Middle East, specifically in the six Gulf markets, was also dented considerably in the second half of the year, with a sharp shift in consumer sentiment away from gold jewellery consumption brought about by a combination of volatile price levels, inflationary concerns and significant escalations in rent charges. As the currencies of these markets are pegged against the dollar, there is no cushioning for consumers against dollar gold price volatility. In the region, Turkey and Egypt experienced healthier demand, with good tourist seasons and increased economic stability helping to fuel consumption.

The Chinese market proved most resilient to the more volatile prices as most retailers maintain a margin of approximately 10 percent over the gold price and therefore tend not to adjust prices on a daily basis according to each and every fluctuation in the dollar gold price. The Chinese economy also continued to record strong growth.

In the US, gold demand in 2007 reached the lowest level since 1992. Retailers continued to reduce their focus on the category in the light of rising prices and to seek out product with lower gold content so as to offer a lower-cost range of product to an increasingly price-sensitive consumer. Only the high end of the market, which typically retails 18 carat product, remained strong. Margins in this segment are higher than in the mass market segment and consumers are less sensitive to price increases.

Despite high gold prices, supplies of scrap into the market were weaker than in 2006. In part this seems to have been due to the fact that significant personal gold inventories were liquidated in 2006 and have not been replaced as yet. Another factor was the price surge which took place towards the end of the year. Consumers were deterred from selling old jewellery by the expectation that prices might rise further.

Industrial demand increased marginally by 2 percent over 2006 levels. A slowdown in the demand for electronic goods over the second half of the year impacted growth in this sector.

*Official market*

Official sector sales for the calendar year were 485 tonnes, some 30 percent higher than in 2006. Gold sales by the Central Bank Gold Agreement (CBGA) signatories account for the bulk of this increase and in the third year of the second CBGA agreement (which came to an end on September 26, 2007) 475.8 tonnes of the available quota of 500 tonnes had been released onto the market.

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*Hedging*
Gold producers reduced their hedging positions considerably in 2007. Over 400 tonnes were bought in the market in this way,
a figure only slightly below the record level of de-hedging measured in 2004. The majority of this activity took place in the first
half of the year and was driven by the activities of a small number of major players.
As at December 31, 2007, the net delta hedge position of AngloGold Ashanti was 10.39 million ounces or 323 tonnes, valued
at the spot price of gold on that day of $836 per ounce. The marked-to-market value of the hedge position at this date was
negative $4.27 billion.
*Marketing channels*
Gold produced by AngloGold Ashanti's mining operations is processed to a saleable form at various precious metals refineries.
Once refined to a saleable product – either a large bar weighing approximately 12.5 kilograms and containing 99.5 percent
gold, or smaller bars weighing 1.0 kilogram or less with a gold content of 99.5 percent and above – the metal is then sold either
through the refineries' channels or directly to bullion banks and the proceeds are paid to the company.
Bullion banks are registered commercial banks that deal in gold. They participate in the gold market by buying and selling gold
and distribute physical gold bullion bought from mining companies and refineries to physical offtake markets worldwide. Bullion
banks hold consignment stocks in all major physical markets and finance such consignment stocks from the margins charged
by them to physical buyers, over and above the amounts paid by such banks to mining companies for the gold.
Where forward sales contracts exist against which AngloGold Ashanti delivers physical product, the same channel of the
refinery is used. In this case, the refinery does not sell the metal on the company's behalf, but instead delivers the finished gold
bars to the bullion bank with which the group's forward contract is held. The physical delivery to the counterparty bank of the
appropriate amount of gold fulfills AngloGold Ashanti's obligations under the forward contract, and AngloGold Ashanti is paid
for this gold by the relevant bullion bank, at the price fixed under the forward contract, rather than at the spot price of the day.
**Gold market development**
AngloGold Ashanti has since its inception been committed to growing the market for its product, particularly as gold jewellery
sales in many developed markets have declined materially over the years in favor of other luxury goods. In response, the
company's marketing programs aim to increase the desirability of gold to sustain and grow demand and to support the
deregulation of the market in key economies.
AngloGold Ashanti's market development activities centre on the following areas: Strategic projects undertaken in key and
critical gold jewellery offtake markets (USA, India, China, Italy, Middle East), which aim to develop positive corporate
identification and recognition while achieving, where sensible and possible, financial returns for AngloGold Ashanti; Host
country projects of a downstream development nature; and AuDITIONS, the company's gold jewellery design

competition.
AngloGold Ashanti remains a member of the World Gold Council (WGC) and undertakes its own strategic marketing projects in such a way as to co-operate with and support the WGC's wider objectives.

*Strategic projects*

**India**

India is the world's largest consumer market in tonnage terms. Gold demand here is firmly embedded in cultural and religious traditions and is seen as a symbol of wealth and prosperity. It is considered to be an auspicious metal that is bought and given as a gift during religious festivals.

With the assistance of a pre-eminent Indian jewellery retailer, AngloGold Ashanti's projects in India are intended to help bring about the modernization of the country's traditional gold jewellery sector. One concept centers on transforming the traditional, semi-urban jewellery retailing environment into a more modern and efficient one that presents rural consumers with a high-quality, professional and trusted 'local' jewellery store, which can better compete with stores selling such lifestyle items as electronics and cell phones. Other concepts focus on the development and distribution of branded collections of jewellery into the market.

**China**

China has been identified as a key strategic market by AngloGold Ashanti both because of its size – it is the third largest market worldwide for jewellery – and because of its potential for growth. In China, AngloGold Ashanti has partnered with a Hong Kong-based retailer to develop and roll-out a retail concept that targets independent, high-income earning women wishing to express their independence and individuality through accessories of gold.

The roll out of this concept has included the co-sponsoring of AuDITIONS China so as to expand the reach of the company's jewellery design competition to the China mainland. A collection of jewellery for commercial sale was developed on the basis of the competition designs. AngloGold Ashanti has also partnered with the retailer to establish concept stores for gold jewellery in major urban centers in China. The first of these stores will open in Beijing in April 2008.

**United States**

The American gold jewellery market is characterized primarily as an adornment market in which gold jewellery is purchased mainly as a fashion accessory. During the past ten years, there has been some slippage in gold jewellery consumption in volume terms in the US market relative to that of other luxury and lifestyle goods.

Contributing in part to this decline has been the commoditization of gold jewellery through the mass-market retail channel, which has tended to sell jewellery on price rather than design style. Consumer research, however, suggests that the US customer shops in a fashion- and trend-conscious way and is therefore generally receptive to brands and branding. Furthermore, the US market is viewed by consumers in other important consumption categories as an opinion- and trend-forming market. Influencing the purchasing motives and buying patterns of the US consumer base can therefore influence other key consumption regions around the world.

In response to these factors, AngloGold Ashanti, together with the WGC, partnered with a large US jewellery wholesaler and distributor to develop and promote at retail level selected collections of gold jewellery from the new product ranges of the Italian-based Gold Expressions (GE) manufacturers. This project is intended to promote the sale of fashionably-designed and progressively-styled gold jewellery in the US retail market and to lay the foundation for Italian manufacturers to build themselves or their products into consumer brands.

**Middle East**

As a region, the Middle East (comprising the United Arab Emirates, Turkey and Saudi Arabia) is the third largest consumer market for gold in volume terms. The increase in disposable income in this region as a result of both higher oil revenues and rising numbers of tourists has impacted positively on gold jewellery consumption.

While the challenge from increasingly more prominent lifestyle, luxury and branded products is, as it is in other markets, clearly growing, the gold category in the Middle East has so far sustained its already high rate of gold consumption per capita compared to the rates of growth in population and per capita disposable income.

AngloGold Ashanti has partnered with the WGC and a leading jewellery wholesaler in the region to develop a business concept

to launch and promote at the local retail level selected collections of mid- to high-end gold jewellery from the product ranges of
Italian-based manufacturers. The project is intended to improve the gold jewellery product and retailing proposition offered to
both the domestic and the tourist consumer segments in the Middle East.

*Host Country Jewellery Sector Development*

AngloGold Ashanti's marketing efforts have historically been directed at the growth and development of the jewellery sector in
countries that host AngloGold Ashanti operations. These projects are intended to bring benefit to the company on several
levels: corporate image-building, supporting host governments' beneficiation agendas; and providing a platform for strategic
market development projects.

These projects will continue to be important for jewellery sector development and will be focused primarily in South Africa,
Brazil and Ghana. AngloGold Ashanti continues to hold a 25 percent stake in the Oro Group, the largest gold jewellery
manufacturer in South Africa, with projects in Ghana and Brazil currently under investigation.

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*AuDITIONS*
In 2004, following the business combination of AngloGold and Ashanti, the AngloGold Ashanti AuDITIONS brand was created to unite the company's gold jewellery design competitions and to reinforce the company's brand in look, feel and character. The concept of AuDITIONS is premised on the metaphor of the performing arts, with designers auditioning in gold through their pieces.
The overall strategic objective of AuDITIONS is to stimulate innovative design in high-caratage gold around the world in order to raise the profile of and drive demand for this jewellery category among consumers. AuDITIONS competitions also seek, through their contacts with the jewellery manufacturing and retail trade, to promote the concept of innovative jewellery design and expose the trade to new and innovative design and techniques.
It is intended to build AuDITIONS into an independent global competition brand and, with the help of the WGC, the competition has been extended to the key gold markets of India, China and the Middle East, from its original bases in South Africa and Brazil.
**Uranium**
AngloGold Ashanti remains South Africa's largest producer of uranium. Several initiatives are under way to boost AngloGold Ashanti's uranium production further. In 2007, a new tailings dam was commissioned in order to segregate untreated uranium-bearing material from material which had previously been treated. Work has begun on an upgrade of the uranium plant at Vaal River and this will be commissioned in 2009. Nuclear Fuels Corporation of South Africa (Pty) Limited (Nufcor) has also entered into contracts with several other uranium producers to treat their material. The first deliveries under these contracts started in late 2007.
Following a run of price increases lasting more than four years, the spot price of U3O8 reached an all-time high of $136 per pound in mid-June 2007. The price weakened thereafter due to weak seasonal demand during the summer months. The spot price dropped to a low of $75 per pound at the start of October before recovering to end the year at $90 per pound.
Recent spot price volatility has been predominantly demand-driven with utilities backing away from the market in light of the record prices for uranium. Conversely, term market prices have remained remarkably steady with published prices remaining at $95 per pound throughout the second half of 2007. Term activity remains the dominant contracting force in the uranium market with up to 90 percent of utility demand procured via direct multi-year supply agreements with producers.
Forward uranium market fundamentals remain positive with robust demand augmented via an increasing number of new reactor build projects. Market prices are anticipated to remain robust for several years with the potential for price spikes in the event of further supply disruption.
**Gold production and mine-site rehabilitation processes**

*The process of producing gold*

The process of producing gold can be divided into six main phases:

- finding the orebody;
- creating access to the orebody;
- removing the ore by mining or breaking the orebody;
- transporting the broken material from the mining face to the plants for treatment;
- processing; and
- refining.

This basic process applies to both underground and surface operations.

*Finding the orebody*

AngloGold Ashanti's global exploration group identifies targets and undertakes exploration, on its own or in conjunction with joint venture partners.

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*Creating access to the orebody*

There are two types of mining which take place to access the orebody:

- underground mining: a vertical or decline shaft (designed to transport people and/or materials) is sunk deep into the ground, after which horizontal development takes place at various levels of the main shaft or decline. This allows for further on-reef development of specific mining areas where the orebody has been identified; and
- open-pit mining: where the top layers of topsoil or rock are removed in a process called ‘stripping’ to uncover the reef.

*Removing the ore by mining or breaking the orebody*

- In underground mining, holes are drilled into the orebody, filled with explosives and then blasted. The blasted ‘stopes’ or ‘faces’ are then cleaned and the ore released is then ready to be transported out of the mine.
- In open-pit mining, drilling and blasting may also be necessary to release the gold- bearing rock; excavators then load the material onto the ore transport system.

*Transporting the broken material from the mining face to the plants for treatment*

- Underground ore is transported by means of vertical and/or horizontal transport systems. Once on the surface, conveyor belts usually transport the ore to the treatment plants.
- Open-pit mines transport ore to the treatment plants in vehicles capable of hauling large, heavy loads.

*Services*

Mining activities require extensive services, both on the surface and underground, including:

- mining engineering services;
- mine planning;
- ventilation;
- provision of consumable resources;
- engineering services;
- financial, administration and human resource services; and
- environmental/sustainable development services.

*Processing*

- Comminution is the process of breaking up ore to make gold available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits. Modern technology is to use large mills fed directly with run-of-mine material.
- Gold ores can typically be classified into:
- refractory ores, where the gold is locked within a sulphide mineral and not readily available for recovery by the cyanidation process; or
- free milling, where the gold is readily available for recovery by the cyanidation process.
- Refractory ore treatment: after fine grinding, the sulphide materials are separated from the barren gangue material using flotation to produce a high-grade sulphide concentrate. The sulphide concentrate is oxidized by either roasting

as at Brasil Mineração or bacterial oxidation (BIOX) as at Obuasi. The oxidation process oxidizes the sulphide minerals, liberating the gold particles and making them amenable to recovery by the cyanidation process.

- Free milling and oxidized refractory ores are processed for gold recovery by leaching the ore in agitated tanks in an alkaline cyanide leach solution. This is generally followed by adsorption of the gold cyanide complex onto activated carbon-in-pulp (CIP).

- An alternative process is the heap-leach process. This process is generally considered applicable to high-tonnage, low-grade ore deposits, but it can be successfully applied to medium-grade deposits where the ore deposit tonnage cannot economically justify constructing a process plant. Run- of-mine ore is crushed and heaped on a leach pad. Low strength alkaline cyanide solution is applied, generally as a drip, to the top of the heap for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon. The stripped solution is recycled to the top of the heaps.

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•
Gold adsorbed onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electro-winning cells and subsequent smelting of that precipitate into doré bars that are shipped to the gold refineries.
•
Retreatment of tailing stockpile from previous decades' operations is also practiced by AngloGold Ashanti. The old tailings are mined by water sluicing followed by agitator leaching in alkaline cyanide solution and recovery of dissolved gold onto activated carbon.
•
At AngloGold Ashanti operations, the main by-products produced are:
•
silver, which is associated with gold in ratios ranging from 0.1:1 to 200:1 silver to gold;
•
sulphuric acid which is produced from the gases generated by the roasting plants; and
•
uranium which is recovered in a process which involves initial acid leaching followed by recovery of the leached uranium onto resin and subsequent stripping with ammonium hydroxide and precipitation of crude yellow cake.
•
The tailings from the process operations are stored in designated tailings storage facilities designed to enhance water recovery and prevent contaminant seepage into the environment.

*Refining*

The doré bars are transported to a refinery for further refining, to as close to pure gold as possible. This is known as good delivery status. This gives the assurance that the bar contains the quantity and purity of gold as stamped on the bar.

***The process of mine-site rehabilitation***

In all the jurisdictions in which the company operates, it is required to conduct closure and rehabilitation activities to return the land to a productive state once mining has been completed. Additionally, the company is required to provide financial assurance, in a form prescribed by law, to cover some or all of the costs of the anticipated closure and rehabilitation costs for the operation. Rehabilitation refers to the process of reclaiming mined land to the condition that existed prior to mining or to a pre-determined post-mining use.

Closure plans are devised prior to the commencement of operation and are regularly reviewed to take into account life-of-mine projections. Although the final cost of closure cannot be fully determined ahead of closure, appropriate provision is made during the mine's economic operation.

**Rights to mine and title to properties**

AngloGold Ashanti's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. In a number of countries in which AngloGold Ashanti operates there are, in some cases, certain restrictions in terms of the group's ability to independently move assets out of that country and/or transfer the assets within the group, without the prior consent of the local government or minority shareholders involved.

**Operating performance**

In 2007, gold production totaled 5.5 million ounces compared to 5.6 million ounces in 2006. This decline in production was largely a result of the reduced volumes mined at the South African operations owing to safety concerns, and at some of the operations in Mali which are nearing the end of their productive lives. Record production was reported at Sunrise Dam in Australia and at Siguiri in Guinea, while at Moab Khotsong in South Africa the ramp-up in production continued. Total cash cost per ounce for the year was $367 compared to $321 in 2006.

AngloGold Ashanti has 20 operations in 10 countries around the world. The 20 operations include Boddington, a joint venture expansion project with Newmont, which is currently underway in Australia. While these operations are managed on a regional basis, they are reported on country-by-country basis.

The operations and geographical areas in which AngloGold Ashanti currently operates are shown below.

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***OPERATIONS AT A GLANCE for the year ended December 31, 2007***
**Attributable tonnes**
**treated/milled (Mt)**
**Average grade**
**recovered (g/t)**
**Attributable gold**
**production (000oz)**
**Total cash costs**
**($/oz)**
**(1)**
2007 2006 2005 2007 2006 2005 2007 2006 2005 2007 2006 2005
**SOUTH AFRICA**
*2,328 2,554 2,676*
***Vaal River***
Great Noligwa
2.0
2.4
2.3
7.54
8.08
9.30
483
615
693
404
260
264
Kopanang
1.8
2.0
2.0
7.24
7.01
7.38
418
446
482
306
291
277
Moab Khotsong
(1)
0.3
0.2
–
7.94
6.35
–
67
44

–
672
659
–
Tau Lekoa
1.4
1.5
2.1
3.62
3.76
3.96
165
176
265
473
438
410
Surface operations
8.0
7.2
5.8
0.49
0.49
0.51
125
113
95
304
283
287
***West Wits***
Mponeng
1.9
1.9
1.7
9.50
9.93
9.15
587
596
512
264
238
279
Savuka
0.3
0.4
0.6
6.69
7.68
6.80

73
89
126
397
337
430
TauTona
(2)
1.8 2.0 1.6
9.67
10.18 9.62 409 474 502 318 270 256
**ARGENTINA**
Cerro Vanguardia (92.5 percent)
0.9
0.9
0.9
6.88
7.29
7.70
204
215
211
260
223
171
**AUSTRALIA**
Sunrise Dam
(3)
3.8 4.0 3.6
4.86 3.39 3.68 600 465 455 262 333 269
**BRAZIL**
*408 339 346*
Brasil Mineraçáo
(2)
1.4 1.1 1.3
7.48 7.60 7.27 317 242 250 246 207 169
Serra Grande (50 percent)
(2)
0.4
0.4
0.4
7.21
7.51
7.93
91
97
96
264
196
158
**GHANA**

*527 592 680*
Bibiani
(5)
–
2.1
2.4 –
0.55
1.46 –
37
115 –
432
305
Iduapriem
(3)(4)
2.8 3.0 3.2
1.85 1.74 1.71 167 167 174 497 413 348
Obuasi
(2)
6.0 6.2 4.7
4.43 4.39 4.77 360 387 391 464 397 345
**GUINEA**
Siguiri (85 percent)
(3)
8.3 7.0 5.8
1.05 1.08 1.21 280 256 246 471 398 301
**MALI**
*441 537 528*
Morila (40 percent)
1.7
1.7
1.5
3.36
3.88
5.41
180
207
262
333
266
191
Sadiola (38 percent)
1.6
1.8
1.9
2.76
3.22
2.73
140
190
168
414

268
265
Yatela (40 percent)
(6)
1.2 1.3 1.3
3.46 4.12 2.99 120 141 98 300 241 263
**NAMIBIA**
Navachab
1.6
1.5
1.2
1.56
1.81
2.05
80
86
81
475
349
321
**TANZANIA**
Geita
5.1
5.7
6.1
2.01
1.68
3.14
327
308
613
627
630
298
**UNITED STATES OF AMERICA**
Cripple Creek & Victor
(6)
20.9
21.8 19.2
0.53 0.54 0.62 282 283 330 269 248 230
*(1)*
*Attributable production at Moab Khotsong prior to commercial production in 2006 was capitalized against pre-production costs.*
*(2) The yield of TauTona, Brasil Mineraçáo, Serra Grande and Obuasi represents underground operations.*
*(3) The yield of Sunrise Dam, Iduapriem and Siguiri represents open-pit operations.*
*(4)*
*The minority shareholdings of the International Finance Corporation (10 percent) and Government of Ghana (5 percent) were acquired effective*
*September 1, 2007 and Iduapriem is now wholly-owned by AngloGold Ashanti.*
*(5)*

*The yield of Bibiani represents surface and dump reclamation in 2006 and open-pit operations in 2005. Bibiani was sold effective December 28, 2006.*

*(6) The yield of Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed.*

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***SOUTH AFRICA***
**Location:** AngloGold Ashanti's South Africa region includes seven underground operations located in two geographic areas on
the Witwatersrand Basin. These are:
- the **Vaal River area**, near Klerksdorp and Orkney, in the North West Province and Free State, where the Great Noligwa,
Kopanang, Tau Lekoa and Moab Khotsong (which remains under development) mines are located; and
- the **West Wits area**, near Carletonville, straddling the North West Province and Gauteng, where the Mponeng, TauTona
and Savuka mines are located.

**Rights:**
In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act (MPRDA),
which was passed by the Parliament of South Africa in June 2002 and came into effect on May 1, 2004. The objects of the Act
are to allow for state sovereignty over all mineral and petroleum resources in the country, to promote economic growth and the
development of these resources and to expand opportunities for the historically disadvantaged. The object is also to ensure
security of tenure concerning prospecting, exploration, mining and production operations. The state ensures that holders of
mining and prospecting rights contribute to the socio-economic development of the areas in which they are operating.
AngloGold Ashanti was informed on August 1, 2005, by the Director General of Minerals and Energy that its applications to
convert its old order mining rights to new order mining rights for its West Wits and Vaal River operations, as well as its
applications for new mining rights to extend its mining areas at its TauTona and Kopanang mines, had been successful. These
applications relate to all of its existing operations in South Africa. The notarial agreements for the converted West Wits mining
right and Block 1C11 new mining rights have been executed and registered as well as the agreements for Jonkerskraal,
Weltevreden, Moab Extension Area and the new right for Edom, all of which form part of the Vaal River operations. Two
notarial agreements relating to the Vaal River operations are in the process of being executed and registered. The deadline for
the conversion process is April 2009. The South African government expects to finalize the Royalty Bill towards the end of
2008.

**Geology**: The Witwatersrand Basin comprises a six-kilometer thick sequence of interbedded argillaceous and arenaceous
sediments that extend laterally for some 300 kilometers north-east/south-west and 100 kilometers north-west/south-east on the
Kaapvaal Craton. The upper portion of the basin, which contains the orebodies, crops out at its northern extent near Johannesburg. Further west, south and east the basin is overlain by up to four kilometers of Archaean, Proterozoic and Mesozoic volcanic and sedimentary rocks. The Witwatersrand Basin is late Archaean in age and is considered to be in the
order of 2.7 to 2.8 billion years old.

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two meters thick, and are
widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different
entry points and these are preserved as distinct goldfields. There is still much debate about the origin of the gold mineralization in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the
conglomerates, but increasingly an epigenetic origin theory is being supported. Nonetheless, the most fundamental control to
the gold distribution in the Basin remains the sedimentary features, such as facies variations and channel directions. Gold
generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

**Safety**: At the South African operations, there were most regrettably 27 fatalities during the course of 2007, five fewer than in
2006. This resulted in a FIFR of 0.29 per million hours worked for the year as opposed to 0.35 in 2006. The LTIFR for the
South African operations as a whole for 2007 was 12.72 per million hours worked (2006: 12.53), indicating a deterioration in
safety levels, although there were improvements in the safety performance at Kopanang, Moab Khotsong and Tau Lekoa.

The safety of AngloGold Ashanti's workforce remains a priority and in November 2007, the 'Safety is our first value' campaign
was launched at the South African operations. This behavior-based campaign will begin with developing a framework for
managing safety, the template for which will be based on OSHAS 18001 and OSHAS 18002. The safety campaign was
launched in collaboration with the trade unions and government representatives. Simultaneously, various safety interventions
were implemented at the operations to re-emphasize the company's principles and standards regarding safety. The focus is on
leadership, behavior and on improving compliance with operating standards at all levels.

- **West Wits operations**

**Description**: The Mponeng, Savuka and TauTona mines are situated on the West Wits Line, near the town of Carletonville,
straddling the border of the province of Gauteng and North West Province. Mponeng has its own gold processing plant while
the Savuka and TauTona operations share a plant.

Together, the West Wits operations collectively produced 33,258 kilograms (1,069,000 ounces) of gold, equivalent to 20 percent of group production.

**Mponeng**

**Description**: Mponeng is situated close to the town of Carletonville in North West Province, southwest of Johannesburg,
straddling the border with the province of Gauteng. The mine currently mines the Ventersdorp Contact Reef (VCR) with stoping
taking place at an average depth of 3,054 meters. The deepest operating stope is at a depth of 3,370 meters below surface.
Given the high degree of variability in the grade of the VCR at Mponeng, a sequential grid mining method is used which allows
for selective mining and increased flexibility in dealing with changes in grade ahead of the stope.
Mponeng comprises a twin-shaft system housing two vertical shafts and two service shafts. Ore mined is treated and smelted
at Mponeng's gold plant. The ore is initially ground down by means of semi-autogenous milling after which a conventional gold
leach process incorporating liquid oxygen injection is applied. The gold is then extracted by means of carbon-in-pulp
technology. The Mponeng gold plant conducts electrowinning and smelting (induction furnaces) on products from Savuka and
TauTona as well. The Mponeng gold plant has a capacity of 160,000 tonnes per month.

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**Geology**: Two reef horizons are exploited at the West Wits operations, the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases from east to west from 400 to 900 meters, owing to unconformity in the VCR. TauTona and Savuka exploit both reefs whereas Mponeng only mines the VCR. The structure is relatively simple; faults of greater than 70 meters are rare. The CLR consists of one or more conglomerate units and varies from several centimeters to more than three meters in thickness. Regionally, the VCR dips at approximately 21 degrees but may vary between 5 and 50 degrees, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin, varying from several centimeters to more than three meters in thickness.
**Safety**: Safety at Mponeng deteriorated during the year, with the LTIFR rising from 10.70 in 2006 to 13.08 in 2007. There were also, most regrettably, six fatalities during the year with the result that FIFR rose to 0.42 (2006: 0.30). Four of these fatalities were caused by seismic events, one a result of a fall of ground and an accident involving machinery.
**Operating review:** Production declined by 2 percent to 18,260 kilograms (587,000 ounces) in 2007 compared with 18,549 kilograms (596,000 ounces) in 2006. The various planned and unplanned work stoppages and safety initiatives conducted towards the end of the year, combined with a decline in grade and reduced face advance, contributed to the decrease in production.
There was a 4 percent decline in the area mined in 2007, largely as a result of a 3 percent decrease in face length.
Cost-saving initiatives were implemented at Mponeng and cost increases were kept to a minimum during the year. Total cash costs rose by 11 percent to $264 per ounce, largely a result of the fatal accidents and the resulting loss of production days.
Also affecting costs were the strength in the rand and the increase in expenditure on seismic-related support.
Capital expenditure (including the amounts spent on below 120 VCR project and purchase of equipment) for the year totaled R604 million ($86 million) (2006: R325 million ($48 million)). The SS2 shaft, which extends the mining depth to 6,700 meters, was commissioned in December 2007.
**Growth prospects:** There are currently two growth projects at Mponeng.
*VCR below 120 project*: this entails accessing the mineral reserves below 120 level. It is estimated that this project will add 2.5 million ounces to production at a cost of $252 million (R2.03 billion). This project was approved by the board in February 2007, following which construction began. On-reef development and thus the start of production are scheduled for 2013 with full production due in 2015.
*CLR below 120 project*: Work is currently under way on this project aimed at accessing the Carbon Leader Reef which is located about 900 meters below the VCR. Initial estimates are that it has the potential to contribute up to 7.4 million ounces to production over the life of the project. Production from this project is estimated to commence in 2018.

**Savuka**

**Description:** Savuka is situated on the West Wits line in the province of Gauteng, approximately 70 kilometers south-west of Johannesburg. Savuka is close to the town of Carletonville in North West Province. The mine currently mines both the Carbon Leader Reef (CLR) and the Ventersdorp Contact Reef (VCR).

This mining operation comprises sub and tertiary shaft systems with the latter reaching a depth of 3,777 meters, making Savuka the deepest mine in the world. Longwall mining was the preferred extraction method until recently but the operation is in the process of converting to sequential grid mining. There are 23 panels currently in operation.

Ore mined at Savuka is processed firstly at TauTona's processing plant. The plant uses conventional milling to crush the ore and a carbon-in-pulp circuit to treat the ore further, after which it is sent to the Mponeng gold plant where the gold is extracted by means of electrowinning and smelting. The Savuka gold plant has a capacity of 280,000 tonnes per month.

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Savuka was scheduled to close in April 2006. However, the strengthening gold price at that time, and a revised business plan
for Savuka based on shared managerial and processing resources, have contributed to a turnaround at this operation which is
now making a positive contribution to AngloGold Ashanti.
**Safety:** There was a deterioration in safety during the year with an overall LTIFR for the year of 25.99 per million hours worked
compared to 19.30 in 2006. There were two fatalities caused by seismic falls of ground to give a FIFR of 0.79 for the year
(2006: 0.0). Steps were taken to address safety including dedicated 'safety' days, mass communication and employee
workshops. These were in addition to the launch of the 'safety is our first value' campaign.
**Operating review:** Production was down to 2,284 kilograms (73,000 ounces) in 2007, although output was greater than had
been initially planned. Volumes mined were 9 percent down on 2006 with tonnes milled down by 5 percent. Increased
development for much of the year aimed at improving the stoping widths resulted in reduced grades. However, once this had
been achieved, reduced face advances, work stoppages and safety interventions also had a negative effect on production.
Total cash costs increased by 18 percent to $397 per ounce, largely as a result of the reduced production and lower grades
which were affected by the decline in stoping activity and increase in development waste.
**Growth prospects**: The restructuring program instituted at Savuka over the last two years has increased its expected life of
mine. There is an extensive resource to the west of current mining activities. Exploration and drilling programs are being
undertaken to determine extent and accessibility of this resource and to target potential mining prospects prior to the conduct of
feasibility studies.

**TauTona**

**Description:** TauTona is situated close to Savuka near the town of Carletonville. TauTona exploits the Ventersdorp Contact
Reef (VCR) and the Carbon Leader Reef (CLR). Mining operations are conducted at depths ranging from 1,800 meters to
3,500 meters at which the deepest stoping sections are found.
The mine consists of a main shaft system supported by secondary and tertiary shafts. The mining method used here is
primarily longwall mining. TauTona shares a processing plant with Savuka. The plant uses conventional milling to crush the ore
and a carbon-in-pulp plant to treat the ore further. Once the carbon has been added to the ore, it is transported to the gold plant
at Mponeng for electrowinning, smelting and the final recovery of the gold.
**Safety:** There was deterioration in safety at TauTona during 2007. The LTIFR for the year was 18.14 (2006: 17.09) and there
were five fatalities (2006: 16), the major cause of which was rockfalls and/or falls of ground. The FIFR for the year was 0.40
(2006: 1.23) .
**Operating review:** Gold production declined by 14 percent to 12,714 kilograms (409,000 ounces) (2006: 14,736 kilograms
(474,000 ounces)), owing to a greater-than-scheduled decline in the volume of ore mined. This was a result of increased
seismic activity in the vicinity of the CLR shaft pillar which is being mined, and at several high-grade production

panels, where
production was halted for limited periods during the course of the year owing to the fatal accidents caused by seismic activity.

Both face length and face advance were negatively affected by seismicity during the year. The increased geological risk from
this seismic activity necessitated re-planning regarding mine layout and mining methods.

The decline in production, together with an increase in input costs, annual wage increases, work stoppages and a stronger
rand contributed to an 18 percent increase in total cash costs to $318 per ounce. The increase in cash costs occurred despite
the implementation of various cost-saving initiatives, which were insufficient to offset the increase in costs associated with the
reduction in production and costs related to the repair of seismic damage. Capital expenditure was R500 million ($71 million),
less than had been planned.

**Growth prospects:** There are currently three growth projects under way at TauTona:

*The CLR below 120 level project* is accessed via a twin-decline system down to 128 level. Production is planned to begin in
2009 and the project is scheduled to produce 2.5 million ounces of gold from 2009 to 2019. The project has total budgeted
capital expenditure of $172 million (R1.2 billion) of which $73 million (R512 million) has been spent to date.

*The CLR shaft pillar extraction project* enables stoping operations to be conducted up to a recently revised infrastructural zone of influence. Production from this project, which began in 2004 and will continue until 2010, is estimated to total more than 425,000 ounces at an average cash cost of $118 per ounce during this period. Capital expenditure for this project is R272 million ($40 million) at current exchange rates, most of which has been committed.

*The VCR pillar project*, which accesses the VCR pillar area located outside the zone of influence, began production in 2005. Development is scheduled to be completed by mid-2009. Total production over a nine-year period until 2013 is estimated at almost 226,000 ounces at a capital cost of R123 million ($18 million). Of this, R95 million ($14 million) has been spent to date.

The average project cash cost is calculated to be $158 per ounce.

**Operating and production data for West Wits operations**

| | **Mponeng** | **TauTona** | **Savuka** |
|---|---|---|---|
| **2007** | | | |
| Pay limit (oz/t) | 0.23 | 0.4 | 0.40 |
| Pay limit (g/t) | 7.83 | 16.11 | 13.72 |
| Recovered grade (oz/t) | 0.277 | 0.282 | 0.195 |
| Recovered grade (g/t) | 9.50 | 9.67 | 6.69 |
| Gold production (000 oz) | 587 | 409 | 73 |
| Total cash costs ($/oz) (1) | 264 | 318 | 397 |
| Total production costs ($/oz) (1) | 356 | 474 | 466 |
| Capital expenditure ($ million) | 86 | 71 | 9 |

Employees
(2)
5,126
4,160
1,063
Outside contractors
(2)
435
832
80
**2006**
Pay limit (oz/t)
0.23
0.53
0.31
Pay limit (g/t)
7.74
18.25
10.75
Recovered grade (oz/t)
0.290
0.297
0.224
Recovered grade (g/t)
9.93
10.18
7.68
Gold production (000 oz)
596
474
89
Total cash costs ($/oz)
(1)
238
270
337
Total production costs ($/oz)
(1)
374
411
359
Capital expenditure ($ million)
48
70
2
Employees
(2)
4,760
4,164
975
Outside contractors

(2)
524
1,002
65
**2005**
Pay limit (oz/t)
0.34
0.72
0.45
Pay limit (g/t)
11.53
24.43
15.18
Recovered grade (oz/t)
0.267
0.281
0.198
Recovered grade (g/t)
9.15
9.62
6.80
Gold production (000 oz)
512
502
126
Total cash costs ($/oz)
(1)
279
256
430
Total production costs ($/oz)
(1)
383
388
524
Capital expenditure ($ million)
47
74
6
Employees
(2)
4,897
4,459
2,178
Outside contractors
(2)
677
996
147
(1)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2)

Average for the year.

- **Vaal River operations**

**Description**: The Great Noligwa, Kopanang, Moab Khotsong and Tau Lekoa mines are situated near the towns of Klerksdorp and Orkney on the border of North West Province and the Free State. The AngloGold Ashanti Vaal River operations have among them four gold plants, one uranium plant and one sulphuric acid plant.

Combined, the Vaal River operations (including surface operations) produced 39,171 kilograms (1,259,000 ounces) of gold, equivalent to 23 percent of group production.

**Great Noligwa**

**Description:** Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney on the Free State side of the Vaal River. Both the Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here.

The mining operation here consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 meters.

Owing to the geological complexity of the orebody, a scattered mining method is employed. Great Noligwa has its own dedicated milling and treatment plant which applies conventional crushing, screening semi-autogenous grinding and carbon-in-leach processes to treat the ore and extract the gold.

**Geology:** In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the “C” Reef:

- The Vaal Reef contains approximately 85 percent of the reserve tonnage with mining grades between 10 and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive unconformities. Several distinct facies have been identified, each with its unique gold distribution and grade characteristic.
- The VCR has a lower grade than the Vaal Reef, and contains approximately 15 percent of the estimated reserves. The economic portion is mainly concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers or a thin conglomerate horizon. The reef is located at the contact between the overlying Kliprivierberg Lavas of the Ventersdorp SuperGroup and the underlying sediments of the Witwatersrand SuperGroup which creates a distinctive seismic reflector. The VCR is located up to one kilometer above the Vaal Reef.
- The “C” Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 meters above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to the Vaal Reef, but more erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west and south-east, resulting in zones of fault loss.

**Vaal River – Summary of metallurgical operations**

**West GP**

**East Gold Acid**
**and Float Plant**

**Noligwa GP**

**Mispah GP**

**Kopanang GP**

**Gold plants**

Capacity (000 tonnes/month)

180

309

263

140

420

**Uranium plants**

Capacity (000 tonnes/month)

–

–

–

–

–

–

263

**Pyrite flotation plants**

Capacity (000 tonnes/month)

–

–

–

250

145

**Sulphuric acid plants**

Production (tonnes/month)

–

7,500

–

–

–

50

**Operating and production data for Vaal River operations**

| | **Great Noligwa** | **Kopanang** | **Tau Lekoa** | **Moab Khotsong** (3) |
|---|---|---|---|---|
| **2007** | | | | |
| Pay limit (oz/t) | 0.34 | 0.36 | 0.16 | 1.52 |
| Pay limit (g/t) | 11.69 | 12.18 | 5.39 | 52.12 |
| Recovered grade (oz/t) | 0.220 | 0.211 | 0.106 | 0.232 |
| Recovered grade (g/t) | 7.54 | 7.24 | 3.62 | 7.94 |
| Gold production (000 oz) | 483 | 418 | 165 | 67 |
| Total cash costs ($/oz) (1) | 404 | 306 | 473 | 672 |
| Total production costs ($/oz) (1) | 513 | 400 | 752 | 1,254 |
| Capital expenditure ($ million) | 37 | 52 | 16 | 89 |
| Employees (2) | 5,908 | 5,470 | 2,506 | 1,986 |
| Outside contractors (2) | 726 | 465 | 345 | |

1,548
**2006**
Pay limit (oz/t)
0.28
0.32
0.14
1.50
Pay limit (g/t)
9.57
10.92
4.85
51.44
Recovered grade (oz/t)
0.236
0.204
0.110
0.185
Recovered grade (g/t)
8.08
7.01
3.76
6.35
Gold production (000 oz)
615
446
176
44
Total cash costs ($/oz)
(1)
260 291 438 659
Total production costs ($/oz)
(1)
374 377 693
1,136
Capital expenditure ($ million)
49
41
11
83
Employees
(2)
5,883 5,360 2,514 1,539
Outside contractors
(2)
696 455 379
1,365
**2005**
Pay limit (oz/t)
0.39
0.39
0.19

-
Pay limit (g/t)
13.24
13.25
6.23
-
Recovered grade (oz/t)
0.271
0.215
0.116
-
Recovered grade (g/t)
9.30
7.38
3.96
-
Gold production (000 oz)
693
482
265
-
Total cash costs ($/oz)
(1)

| | | |
|---|---|---|
| 264 | 277 | 410 |

-
Total production costs ($/oz)
(1)

| | | |
|---|---|---|
| 354 | 363 | 555 |

-
Capital expenditure ($ million)
43
41
15
94
Employees
(2)

| | | | |
|---|---|---|---|
| 5,704 | 5,506 | 3,021 | 1,320 |

Outside contractors
(2)
1,152
524
1,084
1,201
*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating*
*results – Total cash costs and total production costs".*
*(2)*
*Average for the year.*
*(3)*
*Commercial production commenced on January 1, 2006.*

**Safety:** Safety at Great Noligwa as measured by the LTIFR deteriorated year-on-year. The LTIFR for the year was 14.46 (2006: 12.21). There were regrettably two fatalities (2006: seven) caused by falls of ground, to give a FIFR of 0.11, as compared to 0.36 in 2006.

**Operating review**: Production declined by 21 percent to 15,036 kilograms (483,000 ounces) in 2007, compared to 19,119 kilograms (615,000 ounces) in 2006. This was a result of poor face advance combined with a lack of mining flexibility given the geological features encountered, and increased mining of pillars at the boundary limits of the mining lease area. The decline in production was also affected by safety-related work stoppages and the running of safety training initiatives towards the end of the year. The overall result was a 16 percent decline in tonnes mined.

Overall, total cash cost for the year rose by 55 percent to $404 per ounce. Increases in costs were the result of lower volumes, higher input costs, annual wage increases and losses on uranium byproduct. The losses on uranium were caused by firstly, reduced production and secondly, uranium purchases which had to be made to meet contractual obligations. Capital expenditure totaled R261 million ($37 million).

**Growth prospects**: As the operation ages, Great Noligwa is in the process of converting from conventional scattered mining to pillar or remnant mining for the remainder of its operational life. Up until now the Vaal Reef has been the most economically viable reef to mine. However, as this reef is being mined out, the less economical Crystalkop Reef is being increasingly exploited as are economically viable pillars within the mine boundaries.

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**Kopanang**
**Description:** Kopanang adjoins Great Noligwa and is located close to the town of Orkney on the Free State side of the Vaal River. The major reef mined at Kopanang is the Vaal Reef, while a secondary reef, the Crystalkop Reef, is mined on a smaller scale. Mining operations are conducted at depths ranging from 1,350 meters to 2,240 meters.
The Kopanang operation comprises a single shaft system. Given the geologically complex orebody occurring at Kopanang, a scattered mining method is used with the orebody being accessed mainly via footwall tunneling, raised on the dip of the reef and stoped on strike. Kopanang has a gold processing plant that uses both conventional semi-autogenous grinding and carbon-in-pulp technology. There are two streams of ore into the plant, one of which is fed mainly by Vaal Reef ore while the other is fed exclusively by Ventersdorp Contact Reef ore from Tau Lekoa.
**Safety**: Safety as measured by the LTIFR improved year-on-year. The LTIFR for the year was 13.10 (2006: 15.22). There were regrettably three fatalities (2006: two) caused by accidents involving machinery and explosives. FIFR for the year was 0.22 compared to 0.14 in 2006.
**Operating review**: Gold production declined by 6 percent to 13,013 kilograms (418,000 ounces) (2006: 13,886 kilograms (446,000 ounces)) with volumes mined decreasing by 5 percent. Although an initial drop in production was made up subsequently when increased volumes of higher grade material were mined, resulting in an improved yield for the year, this was insufficient to prevent an overall decline in production year-on-year. Seismic activity was a concern during the year as this limited access to high-grade areas. In addition, mining face length was restricted by the unexpected geological structures encountered, the intersection of methane, a lack of mining flexibility and shifts lost owing to safety-related training and work stoppages.
The decreased production, combined with increased input costs including the implementation of winter power tariffs and annual wage increases contributed to a 5 percent increase in total cash costs to $306 per ounce.
Capital expenditure rose by 29 percent to R362 million ($52 million).
**Growth prospects**: A new waste washing plant is planned at a cost of R11 million ($1.6 million). The plant will upgrade the quality of the fines to be added to the Kopanang stream as well as that of the tonnes to be sent to the plant at Great Noligwa for uranium extraction.
The orebody to the west of Kopanang’s current mining area is being explored which, if it proves viable, will extend the life of mine.
**Tau Lekoa**
**Description:** Tau Lekoa is one four mining operations in the Vaal River area. It is close to the town of Orkney on the North West Province side of the Vaal River. Unlike the other Vaal River operations, the major reef mined at Tau Lekoa is the Ventersdorp Contact Reef. Mining operations are conducted at depths ranging from 800 meters to 1,743 meters, making this

one of the shallower AngloGold Ashanti mines in South Africa. Tau Lekoa has an expected life of mine of nine years.
The Tau Lekoa operation comprises a twin-shaft system. Because of the geologically complex orebody occurring at Tau Lekoa,
a scattered mining method is used with the orebody being accessed via footwall tunneling while stoping takes place on strike.
There are currently seven shaft levels with an average of 70 panels in operation. Tau Lekoa employs hydro-electric power as
its primary source of energy.
Ore mined by Tau Lekoa is processed and treated in preparation for gold extraction at the Kopanang gold plant.
**Safety:** Although safety as measured by the rate of lost-time injuries improved to 19.07 compared to 24.99 in 2006, in terms of
fatalities, safety standards declined. There were regrettably four fatalities at Tau Lekoa to give a FIFR for the year of 0.58 (2006: 0.15).

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**Operating review:** Production declined by 6 percent to 5,137 kilograms (165,000 ounces) in 2007 from 5,473 kilograms (176,000 ounces) in 2006, despite a marginal improvement in face advance. This was in line with a scheduled down-sizing of the operation in 2006/7, and a planned decline in yields and inventory depletion. Production was achieved despite work stoppages, both planned and unplanned, around safety-related matters and the implementation of safety training initiatives.
While Tau Lekoa has proved that current levels of production are both sustainable and profitable, its primary challenge is to maintain high levels of output per employee without compromising safety.
Total cash costs rose by 8 percent to $473 per ounce compared to $438 per ounce the previous year. Capital expenditure for the year totalled R113 million ($16 million) (2006: R74 million ($11 million)).
**Growth prospects**: The current aim of the Tau Lekoa operation is to maintain current levels of production.
**Moab Khotsong**
**Description:** Moab Khotsong, the newest of AngloGold Ashanti's South African operations, began commercial production in January 2006. Located south and south-east of Great Noligwa and Kopanang in the Free State province, Moab Khotsong was developed so as to exploit the Vaal Reef. The first phase of this operation included the development of a main shaft system, a subsidiary ventilation shaft and three main production levels to a depth of between 2,600 meters and 3,054 meters below surface.
Given the known geological complexity of the Vaal Reef, a scattered mining method has been employed with haulages, cross cuts and raises pre-developed in a grid system.
**Safety:** There were most regrettably five fatalities at Moab Khotsong in 2007. The primary cause of the fatal accidents was seismic events. The FIFR for the year was 0.57 (2006: 0.27). There was, however, an improvement in the LTIFR to 13.48 (2006: 15.75).
**Operating review**: Production continued to ramp-up with 2,081 kilograms (67,000 ounces) being produced in 2007 (2006: 1,371 kilograms (44,000 ounces)) – 726 kilograms (23,000 ounces) were produced in the fourth quarter of 2007 alone.
Annual production was, however, less than had been budgeted as a result of poor face advance which was 25 percent less than planned. Consequently, tonnes mined were 21 percent down on expectations.
Full annual production of 14,000 kilograms (440,000 ounces) is scheduled for 2013. As at the end of December 2007, the total cost of developing Moab Khotsong was R4,193 million ($599 million) (at an exchange rate of R7/$).
The values mined and volumes treated increased by 25 percent and 21 percent, respectively. This was despite an increase in dilution owing to an increase in off-reef mining and stoping widths in order to negotiate dip faults.
Total cash cost rose by 2 percent to $672 per ounce compared to $659 per ounce the previous year. Costs were negatively affected by the lower-than-scheduled level of production, the purchase of uranium to meet delivery contracts, and the relative strength of the rand for the year. Capital expenditure for the year totaled R628 million ($89 million) (2006: R565 million

($83 million)).
**Growth prospects**: A study for Phase 2 of the development at Moab Khotsong which will extend below the Phase 1 workings
was approved by the board and completed during 2007.

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***ARGENTINA***
AngloGold Ashanti has one gold mine in Argentina, Cerro Vanguardia, which produced 204,000 attributable ounces of gold in
2007, equivalent to 4 percent of group production. The company owns the right to exploit the deposit up to 2036 based on the
Usufruct Agreement signed in December 1996.
**Description:** AngloGold Ashanti has an interest of 92.5 percent in Cerro Vanguardia and the province of Santa Cruz, 7.5 percent. Located to the north-west of Puerto San Julian in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open pits with high stripping ratios. The orebodies comprise a series of hydrothermal vein deposits containing vast quantities of silver which is produced as a by-product.
Ore is processed at a metallurgical plant located at the mine and includes a cyanide recovery plant. Technology at the plant is based on carbon-in-leach processes with the tailings dam incorporated in a closed circuit with plant process so that there is no final discharge. The Cerro Vanguardia gold plant has a capacity of 82,000 tonnes per month.
**Rights**: According to Argentinean mining legislation, mines are the private property of the nation or a province, depending on where they are located. Individuals are empowered to explore for, exploit and dispose of mines as owners by means of a legal license granted by a competent authority under the provisions of the Argentine Mining Code. The legal licenses granted for the exploitation of mines are valid for an undetermined period, provided that the mining title holder complies with the obligations settled in the Argentine Mining Code. In Argentina, the usual ways of transferring rights over mining licenses are: to sell the license; to lease such license; or to assign the rights under such a license by a beneficial interest or Usufruct Agreement. In the case of Cerro Vanguardia, the mining title holder is its partner, Fomicruz, and due to the Usufruct Agreement signed between them and Cerro Vanguardia SA on December 27, 1996, the latter has the irrevocable right to the exploitation of the deposit for a period of 40 years. This agreement expires on December 27, 2036.
**Geology**: The oldest rocks in this part of Patagonia are metamorphics of the Precambrian-Cambrian age. These are overlain
by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens and are
associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite
flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during
the Middle and Upper Jurassic age over an area of approximately 100,000 square kilometers. These volcanic rocks include
the Chon Aike formation ignimbrite units that host the gold bearing veins at Cerro Vanguardia. Post-mineral units include
Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia
gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.
Gold and silver mineralization at Cerro Vanguardia occurs within a vertical range of about 150 to 200 meters in a series of
narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural

pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing - one set strikes about N40W and generally dips 65 to 90 degrees to the east; while the other set strikes about N75W and the veins dip 60 to 80 degrees to the south.

The veins are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms: as massive quartz, banded chalcedonic quartz, and quartz-cemented breccias. Dark bands in the quartz are due to finely disseminated pyrite, now oxidized to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralized and appear to have been cut by a sequence of north-east-trending faults that have southerly movement with no appreciable lateral displacement.

**Safety:** There was a deterioration in safety during the year. The LTIFR for 2007 was 3.34 compared to 3.13 in 2006. As in 2006, there were no fatalities in 2007. Corrective action has been taken including safety awareness workshops for the managers responsible for operational safety, supervisors and contractors.

**Operating review:** Attributable production decreased in line with expectations to 204,000 ounces for the year, mostly as a result of the lower grade mined in the first three quarters of the year.

The highlights for the year were the higher stripping ratio achieved with the extraction of 1.5 million tonnes of additional waste and an increase in silver production to 420,000 ounces.

The recovered grade decreased year-on-year from 7.29g/t in 2006 to 6.88g/t in 2007 as a result of the lower grade material supplied to the plant.

Total cash costs increased by 17 percent to $260 per ounce as compared to $223 per ounce in 2006. Increases in the cost of mining supplies, a function of the inflationary impact of higher commodity prices and higher maintenance costs (due to an extension on the useful life of some mine equipment), as well as an increase in workforce and contractor costs, were partially offset by greater silver by-product revenue.

Capital expenditure for the year amounted to $18 million, spent largely on mine equipment and mine and plant infrastructure.

**Growth prospects:** The four-year brownfields exploration program entered its second year in 2007. The focus of the program is to determine the extent of and to delineate the shallow, high-grade mineral resources.

**Operating and production data for Cerro Vanguardia**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.18 | 0.13 | 0.12 |
| Pay limit (g/t) | 3.48 | 4.56 | 4.02 |
| Recovered grade (oz/t) | 0.201 | 0.213 | 0.225 |
| Recovered grade (g/t) | 6.88 | 7.29 | 7.70 |
| Gold production (000 oz) 100 percent | 220 | 232 | 228 |
| Gold production (000 oz) 92.50 percent | 204 | 215 | |

211
Total cash costs ($/oz)
(1)
260
223
171
Total production costs ($/oz)
(1)
358
372
270
Capital expenditure ($ million) 100 percent
20
19
15
Capital expenditure ($ million) 92.50 percent
18
18
14
Employees
(2)
708
623
487
Outside contractors
(2)
309
283
459
*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(2)*
*Average for the year.*

***AUSTRALIA***
AngloGold Ashanti's three assets in Australia are the Sunrise Dam gold mine, and the Boddington and Tropicana joint venture projects. In 2007, production from Sunrise Dam was a record 600,000 ounces, an increase of 29 percent and equivalent to 11 percent of group production for the year.
Ownership of these assets, all in the state of Western Australia, is as follows:
The Sunrise Dam gold mine is 100 percent owned by AngloGold Ashanti and is currently the only producing AngloGold Ashanti operation in Australia. The Sunrise Dam gold plant has a capacity of 300,000 tonnes per month.
The Boddington project is a joint venture between AngloGold Ashanti and Newmont Mining Corporation, in which each has interests of 33.33 percent and 66.67 percent, respectively.
The Tropicana project is a joint venture between AngloGold Ashanti (70 percent) and Independence Group NL (30 percent), which will contribute in terms of its 30 percent stake on completion of the pre-feasibility study.
**Rights:** In Australia, with few exceptions, all onshore mineral rights are reserved by the government of the relevant state or territory. Exploration for, and mining of, minerals is regulated by the general mining legislation and controlled by the mining ministry of each respective State or Territory. AngloGold Ashanti owns the mineral rights and has 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations, and both the group and its joint venture partners are fully authorized to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti's operations in Australia.
**Sunrise Dam**
**Description**: The Sunrise Dam gold mine is located in the northern goldfields of Western Australia, 220 kilometers north-east of Kalgoorlie and 55 kilometers south of Laverton. The mine consists of a large open-pit, which is now in its eleventh year of operation, and an underground mine, which began producing in 2003. Mining at both operations is conducted by contractors and the ore mined is treated in a conventional gravity and CIL processing plant which is owner-managed.
**Geology**: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones (for example, Sunrise Shear) and steeply dipping brittleductile low strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.
**Safety:** While no fatalities were recorded there was a slight deterioration in the rate of lost-time injuries. The LTIFR for the year was 2.63 (2006: 1.81).

**Operating review:** Production increased by 29 percent to a record 600,000 ounces in line with expectations (2006: 465,000 ounces). The GQ zone in the open pit provided the anticipated large volumes of high grade ore, which accounted for the increase in annual gold production. Approximately 79,000 ounces of gold production was sourced from the underground mine. Progress was made in developing access to the Cosmo, Dolly, and Watu lodes and 2,000 meters of underground capital development and 6,100 meters of operational development were completed. A total of 67,400 meters of diamond drilling was also completed.

Processing plant throughput in 2007 was 3.8 million tonnes, slightly lower than the record throughput of 3.9 million tonnes in
2006.
Total cash costs fell by 21 percent to $262 per ounce. Despite cost increases in areas such as open-pit mining contractor rates
per unit mined, the greater volume of ore mined, and the appreciation in value of the Australian dollar, the increase in production, due primarily to the higher grade of ore mined, resulted in the decrease in unit cash costs, year-on-year.
The conversion of the mine's diesel power station to liquefied natural gas (LNG) progressed well and the new LNG facility will
begin operation in the second quarter of 2008. Capital expenditure for the year amounted to A$35 million ($30 million).

**Growth prospects:** The main open pit (the Mega Pit) will be completed in the second quarter of 2008, at a final depth of
440 meters. A cutback of the north wall of the open pit began in October 2007, and is scheduled for completion in mid-2010.
The underground life of mine study was completed in late 2007 and, following successful exploration, underground reserves
have increased to 552,000 ounces (after depletion).

**Operating and production data for Sunrise Dam**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.06 | 0.05 | 0.07 |
| Pay limit (g/t) | 1.76 | 1.64 | 2.27 |
| Recovered grade (oz/t) (2) | 0.142 | 0.099 | 0.107 |
| Recovered grade (g/t) (2) | 4.86 | 3.39 | 3.68 |
| Gold production (000 oz) | 600 | 465 | 455 |
| Total cash costs ($/oz) (1) | 262 | 333 | 269 |
| Total production costs ($/oz) (1) | 345 | 406 | 367 |
| Capital expenditure ($ million) | 30 | | |

24
34
Employees
(3)
102 99 95
Outside contractors
(3)
255
283
280
*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating*
*results – Total cash costs and total production costs".*
*(2) Open-pit operations.*
*(3)*
*Average for the year.*
**Boddington (attributable 33.33 percent)**
**Description:** Boddington is located 130 kilometers south-east of Perth in Western Australia. The original, predominantly oxide
open-pit operation was closed at the end of 2001.
**Geology***:* Boddington is located in the Saddleback Greenstone Belt, a northwest-trending fault-bounded silver of greenstones
about 50 kilometers long and eight kilometers wide within the Archaean Yilgarn Craton. The Boddington resource is located
within a six kilometer strike length and consists of felsic to intermediate volcanics and related intrusives. The resource is
subdivided into Wandoo South and Wandoo North. Wandoo South is centered on a composite diorite stock with five
recognizable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.
**Operating review and growth prospects:** The Boddington expansion project, which involves mining the basement reserves
beneath the oxide pits, was approved in March 2006. The project has an attributable capital budget of between A$770 million
and A$900 million ($700 million and $800 million). At year-end, overall project progress was approximately 65 percent
complete, with engineering and procurement activities nearing completion. Construction of the treatment plant was
approximately 32 percent complete. Based on the current mine plan, mine life is estimated to be more than 20 years, with
attributable life-of-mine gold production expected to be greater than 5.7 million ounces of gold.

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**Operating and production data for Boddington**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | – | – | – |
| Pay limit (g/t) | – | – | – |
| Recovered grade (oz/t) | – | – | – |
| Recovered grade (g/t) | – | – | – |
| Gold production (000 oz) 100 percent | – | – | – |
| Gold production (000 oz) 33.33 percent | – | – | – |
| Total cash costs ($/oz) (1) | – | – | – |
| Total production costs ($/oz) (1) | – | – | – |
| Capital expenditure ($ million) 100 percent | 747 | 180 | 12 |
| Capital expenditure ($ million) 33.33 percent | 249 | 60 | 4 |
| Employees (2) | 37 | 12 | 18 |
| Outside contractors (2) | 387 | 85 | 48 |

*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(2)*
*Average for the year.*

**Tropicana**

**Description:** Tropicana is a 12,500 square kilometers tenement package located 330 kilometers east north-east of Kalgoorlie in Western Australia. AngloGold Ashanti holds a 70 percent interest in the project and Independence Group NL holds a 30 percent interest (free carried to completion of the pre-feasibility study). Independence has agreed to contribute to certain project studies to ensure timely development of the project and to contribute to all regional exploration.

**Geology:** The Tropicana deposit comprises two known mineralized zones, the Tropicana zone to the north and Havana zone to the south. Together the known mineralized zones define a system that extends over a 4 kilometer strike length. The lenses have been tested to a vertical depth of 350 meters to 400 meters, and are open down dip. The Tropicana and Havana zones are grossly "stratiform" within the preferred gneissic host sequence. Havana zone consists of multiple stacked lenses, whereas Tropicana comprises one main mineralised lens.

**Operating review and growth prospects**: The pre-feasibility study on this project began in June 2007. The study, which is scheduled to be completed by mid-2008, focuses on the Tropicana and Havana zones.

Metallurgical testwork has determined that the preferred plant configuration is a conventional carbon-in-leach circuit. Tests are currently underway to assess the optimal crushing and grinding circuit as well as the possible inclusion of energy-efficient high-pressure grinding rolls.

With the completion of the resource estimate, pit design and mine scheduling studies are underway to determine the optimal operating scale, grade and material scheduling strategy, infrastructural requirements, and capital and operating costs. A potential large-scale water resource has been identified within 50 kilometers of the deposit.

AngloGold Ashanti and Independence have agreed to jointly fund ongoing drilling to increase the resource classification to measured, indicated and inferred by mid-2008 to enable estimation of reserves and to streamline the progression of the project to feasibility level.

Baseline environmental studies for the project have been substantially completed.

Regional exploration continues on the greater tenement package.

**BRAZIL**

AngloGold Ashanti's two assets in Brazil are Brasil Mineração and Serra Grande. In 2007, these operations together produced an attributable 408,000 ounces of gold, equivalent to 7 percent of group production.

**Rights:** In Brazil, there are two basic mining rights: a license for the exploration stage, valid up to three years, renewable once; and a Mining Concession or Mine Manifest, valid for the life of the deposit.

Mine Manifests (mining titles granted in 1936) and Mining Concessions (mining titles presently granted through an order signed by the Secretary of Mines of the Ministry of Mines and Energy) are valid for an undetermined period until depletion of reserves, provided that the mining title holder complies with current Brazilian mining and environmental legislation, as well as with those requirements set out by the National Department of Mineral Production (DNPM) who acts as inspecting entity for mining activities. Obligations of the titleholder include:

- the start of construction, as per an approved development plan, within six months of the issuance of the concession;
- extracting solely the substances indicated in the concession;
- communicating to the DNPM the discovery of a mineral substance not included in the concession title;
- complying with environmental requirements;
- restoring the areas degraded by mining;
- refrain from interrupting exploitation for more than six months; and
- reporting annually on operations.

The difference between a Mine Manifest and a Mining Concession lies in the legal nature of these two mining titles, since it is much more difficult and complicated for the public administration to withdraw a Mine Manifest than a Mining Concession although, in practice, it is possible for a Manifest to be cancelled or to become extinct if the abandonment of the mining operation is formally proven. All of AngloGold Ashanti's operations in Brazil have indefinite mining licenses.

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**Brazil – Summary of metallurgical operations**
**AngloGold Ashanti Mineração**
**Serra Grande**
**Cuiabá**
**Raposos**
**Gold plants**
Capacity (000 tonnes/month)
135
26
66
Current throughput
112
Shut down
**AngloGold Ashanti Brasil Mineração**
**Description:** The wholly owned AngloGold Ashanti Brasil Mineração (Brasil Mineração) complex is located in south-eastern
Brazil in the state of Minas Gerais, close to the city of Belo Horizonte, in the municipalities of Nova Lima, Sabará and Santa
Bárbara. Ore is sourced from the Cuiabá underground mine, and then processed at the Cuiabá and Queiroz plants, and from
the Córrego do Sítio heap-leach operation.
**Geology**: The area in which Brasil Mineração is located is known as the Iron Quadrangle and is host to historic and current
gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle
is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes. The host to
the gold mineralization is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas
SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at
Sabara Municipality, has gold mineralization associated with sulphides and quartz veins in Banded Ironstone Formation (BIF)
and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold
mineralization with a common association between large-scale shear zones and their associated structures. Where BIF is
mineralized the ore appears strongly stratiform due to the selective sulphidation of the iron rich layers. Steeply plunging shear
zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.
The controlling mineralization structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile
environment. The host rocks at Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralization is
due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic
schists. Sulphide mineralization consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to
occur as a late-stage fracture fill and is not associated with gold mineralization. Wallrock alteration is typically

carbonate,
potassic and silicic.

**Safety:** Safety levels were maintained during the course of the year with little change in the LTIFR (2007: 2.30; 2006: 2.33).
No fatalities were recorded.

**Operating review:** Production increased by 31 percent to 317,000 ounces in line with expectations (2006: 242,000 ounces), boosted by the commissioning and start-up of the Cuiabá Expansion Project. Although the rainy season at the start of the year hampered heap-leach activities and delayed the start up of the Cuiabá Expansion Project, by the end of the year, operating performance had improved. The Cuiabá Expansion Project includes the deepening of the underground mine, the construction of new treatment and tailings storage facilities, a roaster and an acid plant. The entire circuit has now been integrated and is operational from the underground Cuiabá mine crushing area to the Queiroz processing plant. No significant problems were experienced in increasing mine throughput from 830,000 tonnes to an average of 1.3 million tonnes annually. This project will add six years to the life of mine of Brasil Mineração.

From an operational perspective, actions such as the setting of new development rates, a new ramp, improvements to mine infrastructure and layout and improved geotechnical conditions are being implemented to consolidate a sustainable long-term rate of production. A 7 percent increase in the volume of tonnages treated has been planned to offset a 5 percent decline in grades for 2008.

Total cash costs rose by 19 percent to $246 per ounce compared to $207 per ounce in 2006. Higher costs were largely a result of the appreciation in the local Brazilian currency (the real) against the US dollar, lower grades, the reduction in by-product credits received for sulphuric acid and an increase in the operational cycle of the mine in deeper levels in addition to a new plant at Cuiabá site.

Capital expenditure for the year totaled $117 million, significantly down on that of 2006 ($168 million) as the Cuiabá Expansion Project was completed.

**Growth prospects:** The Córrego do Sítio Underground Sulphide Project is investigating the viability of exploiting the potential sulphide ore resources of the Córrego do Sítio underground orebodies, namely Cachorro Bravo, Laranjeira and Carvoaria. The results from the study for this project were released in 2007. This project, which is expected to produce 100,000 ounces of gold annually over 14 years from a total of 6.8 million tonnes of ore milled, is scheduled to begin in mid-2011.

The development of a ramp and the exposure of the Cachorro Bravo orebody are continuing. The development of access drives to the Carvoaria orebody is ongoing and exposure of the Laranjeira orebody to increase the extent of the mineable resource has begun. Trial mining on the Cachorro Bravo orebody is in progress and generating data for the feasibility study.

The Lamego Project explores the orebodies on the Lamego property. This project is expected to produce approximately 450,000 ounces over nine years. However, given the geological similarity of Lamego to that of the nearby Cuiabá mine, and the lack of information regarding the deeper levels of Lamego, a more aggressive exploration program was budgeted for in 2007 and 2008 so as to evaluate the potential of increasing current expected production at Lamego to levels similar to those of the Cuiabá operation. During 2007, development totaled 3,274 meters. A pre-feasibility study will be conducted in 2008.

**Operating and production data for Brasil Mineração**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.13 | 0.09 | 0.11 |
| Pay limit (g/t) | 3.50 | 3.10 | 3.86 |
| Recovered grade (oz/t) (1) | 0.218 | 0.222 | 0.212 |
| Recovered grade (g/t) (1) | 7.48 | 7.60 | 7.27 |
| Gold production (000 oz) | 317 | 242 | 250 |
| Total cash costs ($/oz) (2) | 246 | 207 | |

169
Total production costs ($/oz)
(2)
360
301
260
Capital expenditure ($ million)
117
168
71
Employees
(3)
1,814
1,546
1,363
Outside contractors
(3)
1,620
2,065
1,234
*(1)*
*Recovered grade represents underground operations.*
*(2)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(3)*
*Average for the year.*

**Serra Grande (attributable 50 percent)**

**Description:** Serra Grande is located in central Brazil, in the state of Goiás, five kilometers from the city of Crixás. AngloGold Ashanti and the Kinross Gold Corporation are joint partners in this operation. In terms of the shareholders' agreement, AngloGold Ashanti manages the operation and has the right to access a maximum of 50 percent of the earnings accrued and dividends paid by Serra Grande.

Serra Grande comprises two underground mines, Mina III and Mina Nova, and an open pit at Mina III which began operation in 2007. The processing circuit, with grinding, leaching, filtration, precipitation and smelting facilities, has a capacity of about 800,000 tonnes of ore a year.

**Geology**: The deposits occur in the Rio Vermelho and Ribeirão das Antes Formations of the Archaean Pilar de Goia's Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralization is associated with massive sulphides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

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The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments
are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock,
usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation
of pillow structures evident.
The Crixás greenstone belt comprises a series of Ardhaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (d1) was accompanied by
significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with
irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás orebodies are adjacent to a
major north-north-west structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in
zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to north-west-south-east basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of
significant mineralization within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralizing fluids
probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip
during folding. Gold mineralization became minor and dispersed to the north and east along the formal thrust flat zone.
Concentrations of gold along the case of quartz vein may be due to the damming of fluids migrating upward along layering.
**Safety:** Safety levels deteriorated during the course of the year and there was one fatality due to a rockfall in the second
quarter of the year. This was the first fatality ever involving an employee of Serra Grande. Corrective action has been taken.
The LTIFR for the year was 2.47 (2006: 1.76) while the FIFR was 0.49 (2006: nil).
**Operating review:** Attributable production at 91,000 ounces (2006: 97,000 ounces) decreased by 6 percent mainly due to the
lower grades mined.
Total cash costs increased by 35 percent to $264 per ounce, largely due to the lower grade of the material available for treatment, an appreciating local currency (the real) and inflation which affected the costs of power, labor, material and services.
Total capital expenditure amounted to $24 million or $12 million attributable. Capital expenditure was also negatively impacted
by the appreciation in the local currency.
**Growth prospects:** An aggressive brownfields exploration campaign at Serra Grande aims to increase reserves and resources in and around Mina III and Mina Nova. In 2007, there was an increase in reserves at Mina Nova and Mina III
(orebody 4) and a new orebody named Pequizão was discovered between Mina Nova and Mina III. In 2008, the intention is to
re-evaluate resources and reserves including Pequizão and start the main access to the Palmeiras mine. The access ramp

project was finished by the end of 2007 and the development should start in March 2008.

**Operating and production data for Serra Grande**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.14 | 0.09 | 0.09 |
| Pay limit (g/t) | 3.90 | 3.24 | 3.02 |
| Recovered grade (oz/t) | 0.210 | 0.219 | 0.231 |
| Recovered grade (g/t) | 7.21 | 7.51 | 7.93 |
| Gold production (000 oz) 100 percent | 182 | 194 | 192 |
| Gold production (000 oz) 50 percent | 91 | 97 | 96 |
| Total cash costs ($/oz) (1) | 264 | 196 | 158 |
| Total production costs ($/oz) (1) | 374 | 278 | 229 |
| Capital expenditure ($ million) 100 percent | 24 | 17 | 13 |
| Capital expenditure ($ million) 50 percent | 12 | 8 | 7 |
| Employees (2) | 654 | 609 | 566 |
| Outside contractors (2) | 264 | | |

208
209

*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(2)*
*Average for the year.*

**GHANA**

The two AngloGold Ashanti operations in Ghana are Obuasi and Iduapriem, which combined had total attributable production of 527,000 ounces, equivalent to approximately 10 percent of group production, for the year.

**Rights**: Mining activities in Ghana are primarily regulated by the new Minerals and Mining Act, 2006 (the Mining Act.) Under the Constitution and the Mining Act, all minerals in Ghana in their natural state are the property of the State and title to them is vested in the President on behalf of and in trust for the people of Ghana, with rights of prospecting, recovery and associated land usage being granted under license or lease.

A license is required for the export or disposal of such minerals and the government has a right of pre-emption over all such minerals. The government of Ghana shall acquire, without payment, a 10 percent interest in the rights and obligations of the mineral operations in relation to a mineral right to reconnaissance, prospecting or mining, and shall have the option to acquire a further 20 percent interest where any mineral is discovered in commercial quantities, on terms agreed between the government and the holder of the mining lease subject to arbitration if the parties fail to agree.

A license or lease granting a mineral right is required to prospect for or mine a mineral in Ghana and the Minister of Energy and Mines has the power to negotiate, grant, revoke, suspend or renew any mineral right, subject to a power of disallowance exercisable within 30 days of such grant, revocation, suspension or renewal by the Cabinet.

The grant of a mining lease by the Minister of Mines is normally subject to parliamentary ratification unless the mining lease falls into a class of transactions exempted by Parliament. A mineral right or interest therein may not be transferred, assigned or otherwise dealt with in any other manner without prior written approval of the Minister of Mines.

*Payments and allowances*

The Mining Act provides that royalties are payable by the holder of a mining lease to the State at rates of between 3 percent and 6 percent of total minerals revenue, depending on a formula set out in mineral royalty regulations.

AngloGold Ashanti and the Government of Ghana have entered into a Stability Agreement with respect to the payment of royalties and taxes. Under the Stability Agreement, the government of Ghana agreed:

- to extend the term of the mining lease relating to the Obuasi mine until 2054 on terms existing prior to the business combination;
- to maintain for a period of 15 years, the royalties payable by AngloGold Ashanti with respect to its mining operations in Ghana at a rate of 3 percent per annum of the total revenue from minerals obtained by AngloGold Ashanti from such mining operations;
- to ensure that the income tax rate would be 30 percent for a period of fifteen years. The agreement was amended in December 2006 to a tax rate equal to the prevailing corporate rate for listed companies;
- that a sale of AngloGold Ashanti’s or any of its subsidiaries' assets located in Ghana remain subject to the

government's approval;

- to permit AngloGold Ashanti and any or all of its subsidiaries in Ghana to retain up to 80 percent of their exportation proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana, to guarantee the availability of such foreign currency; and
- to retain its special rights (Golden Share) under the provisions of the mining Act pertaining to the control of a mining company, in respect of the assets and operations in Ghana.

The Government of Ghana also agreed that AngloGold Ashanti's Ghanaian operations will not be adversely affected by any new enactments or orders or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination.

Mining leases may be applied for either by a prospecting license holder who has established the existence of minerals in commercial quantities or by others who do not hold such licenses, who establish the same to the satisfaction of the Minister of Mines. Mining leases are normally granted for a period not exceeding 30 years and the holder may apply to the Minister of Mines for renewal, on such conditions as the Minister of Mines may determine, for up to another 30 years. This period has been extended in terms of the Stability Agreement. They are to have a maximum size (subject to derogation by the President where it is considered to be in the national interest) of 50 square kilometers for any grant and 150 square kilometers in aggregate.

Reconnaissance and prospecting licenses are normally granted for up to 12 months and three years respectively, subject to renewal. A detailed program must be submitted for the recruitment and training of Ghanaians with a view to achieving ‘localization’, being the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies.

Prior notification to the Minister of Mines is required for ceasing, suspending or curtailing production. Approval to such actions may be given, subject to conditions determined on the advice of the Minerals Commission.

There are also provisions relating to surrender, suspension and cancellation of mineral rights in certain circumstances. The Minister of Mines may suspend or cancel a mineral right if, among other things, the holder: fails to make payments under the Mining Act when due; is in breach of any provisions of the Mining Actor the conditions of the mineral right or the provisions of any other enactment relating to mines and minerals; becomes insolvent or bankrupt; makes a statement to the Minister of Mines in relation to the mineral right which he knows, or ought to have known, to be false; or for any reason, becomes ineligible to apply for a mineral right under the provision of the Mining Law.

Except as otherwise provided in a specific mining lease, all immovable assets of the holder under the mining lease vest in the State on termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not fully depreciated is to be offered to the State at the depreciated cost. The holder must exercise his rights subject to such limitations relating to surface rights as the Minister of Mines may prescribe. Subject to the proper conduct of the mining operations, the holder must affect as little as possible the interest of any lawful occupier, whose grazing rights are retained but who is precluded from erecting any building without the consent of the holder (or, if such consent is unreasonably

withheld,
without the consent of the Minister).
An owner or occupier of any land subject to a mineral right may apply to the holder of the mineral right for compensation and the amount of the compensation shall, subject to the approval of the Land Valuation Board, be determined by agreement between the parties concerned (or, if they are unable to reach agreement, by the Minister of Mines in consultation with the Land Valuation Board). The Land Valuation Board has in the past increased amounts of compensation payable to owners and occupiers. The holder, in the exercise of his rights, is required to have due regard to the effect of the mineral operations on the environment and is to take such steps as may be necessary to prevent pollution of the environment as a result of such operations.
A range of activities and breaches of the Mining Law, including obstructing the government from exercising its pre-emption right and conducting mining, prospecting or related activities other than in accordance with the Mining Law, constitute offences punishable by fine or imprisonment. The maximum fine is 500,000 cedis (at the current exchange rate, equivalent to approximately $50) and the maximum term of imprisonment is two years.
*Mining properties*
The current mining lease for the Obuasi area was granted by the government of Ghana on March 5, 1994. It grants mining rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent 140 square kilometers has also been granted resulting in the total area under mining lease conditions increasing to 474 square kilometers, “the Lease Area”. The company is required to pay to the government of Ghana rent (subject to review every five years, when the rent may be increased by up to 20 percent) at a rate of approximately $5 per square kilometers and such royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area.

Iduapriem has title to a 33 square kilometer mining lease granted on April 19, 1989 for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted in respect of the Obuasi mining lease.
Teberebie has two leases, one granted in February 1998 for a term of 30 years, and another granted in June 1992 for a term of 26 years. The terms and conditions of these leases are consistent with similar leases granted in respect of the Obuasi mining lease.

**Obuasi**

**Description:** Obuasi, which is wholly owned by AngloGold Ashanti, is located in the Ashanti region of southern Ghana, approximately 80 kilometers from Kumasi. It is primarily an underground mine operating at depths of 1,500 meters, although some surface mining does occur. Three treatment plants process the ore: a sulphide plant treats the ore from underground, a tailings plant for tailings reclamation operations and an oxide plant is used to batch treat remnant open-pit ore and stockpiles.
The mine was established in 1897 and has produced more than 30 million ounces of gold in all.

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

- quartz veins which consist 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 occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- sulphide ore which is characterized 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.

**Safety:** Regrettably there were four fatalities during the year: two were caused by accidents involving machinery, one a fall of ground and one involved an employee falling down a rock pass. The LTIFR for the year deteriorated to 2.72 per million hours worked, from 2.29 in 2006, while the FIFR rose from 0.08 in 2006 to 0.19 per million hours worked in 2007.
Remedial action has been taken to improve safety at Obuasi, including the conducting of a training program to identify and address workplace hazards for all employees involved in hazardous tasks. Each work team on the mine will, before it begins, evaluate the task at hand to determine the risks and to assign and implement a control known as a ‘simplified risk assessment’.
This procedure is to be conducted by every employee prior to the conducting of any hazardous task on the mine.
The process to obtain ISO 18001 accreditation for Obuasi began in early 2008.

**Operating review**: Gold production at Obuasi declined by 7 percent to 360,000 ounces in 2007 (2006: 387,000 ounces). This
decline in production was largely attributable to the decline in volumes mined although the recovered grade improved marginally. An 11-day plant shut down in the third quarter and power outages during the year also contributed to the reduced
production.

Total cash costs rose by 17 percent to $464 per ounce (2006: $397 per ounce), largely as a result of the reduced production
and increases in prices of consumables and rates of service contracts.

**Growth prospects:** The Obuasi Deeps project has added 1.3 million ounces to reserves.

**Ghana – Summary of metallurgical operations**

**Obuasi**

**Bibiani**

**Iduapriem**

**Sulphide**
**Treatment Plant**

**Tailings**
**Treatment Plant**

**Oxide Treatment**
**Plant**

**Gold plants**

Capacity
(000 tonnes/month)

200 200 150 225 375

65

**Operating and production data for Obuasi**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) *(1)* | 0.28 | 0.229 | 0.177 |
| Pay limit (g/t) | 8.49 | 7.13 | 6.06 |
| Recovered grade (oz/t) *(1)* | 0.129 | 0.128 | 0.139 |
| Recovered grade (g/t) | 4.43 | 4.39 | 4.77 |
| Gold production (000 oz) | 360 | 387 | 391 |
| Total cash costs ($/oz) (2) | 464 | 397 | 345 |
| Total production costs ($/oz) (2) | 739 | 638 | 532 |
| Capital expenditure ($ million) | 94 | 91 | 78 |
| Employees (3) | 4,672 | 5,629 | 5,852 |
| Outside contractors (3) | 1,554 | 2,210 | 2,443 |

*(1)* *Pay limits and recovered grade refer to underground ore resources.*

*(2)* *Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(3)* *Average for the period.*

**Bibiani**

Bibiani in Ghana was sold to Central African Gold plc effective December 28, 2006

**Operating and production data for Bibiani**

| | **2007** | **2006** (4) | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | - | 0.030 | 0.020 |
| Pay limit (g/t) | - | 0.83 | 0.70 |
| Recovered grade (oz/t) (1) | - | 0.016 | 0.042 |
| Recovered grade (g/t) (1) | - | 0.55 | 1.55 |
| Gold production (000 oz) | - | 37 | 115 |
| Total cash costs ($/oz) (2) | - | 432 | 305 |
| Total production costs ($/oz) (2) | - | 594 | 522 |
| Capital expenditure ($ million) | - | - | 7 |
| Employees (3) | - | 211 | 462 |
| Outside contractors (3) | - | 142 | 140 |

*(1)* *Recovered grade represents open pit operations in 2005 and surface and dump reclamation in 2006.*

*(2)* *Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating*

*results – Total cash costs and total production costs".*
*(3)*
*Average for the period.*
*(4)*
*For the eleven months from January 2006 to November 2006.*
**Iduapriem**
**Description:** Iduapriem comprises two properties, Iduapriem and Teberebie, in which, prior to September 2007, AngloGold
Ashanti had a combined effective stake of 85 percent. The International Finance Corporation held 10 percent and the government of Ghana, 5 percent. AngloGold Ashanti acquired these minority shareholdings and, with effect from September 1,
2007, its shareholding in the Iduapriem operation increased to 100 percent.
The Iduapriem mine is situated in the western region of Ghana, some 70 kilometers north of the coastal city of Takoradi and
10 kilometers south-west of Tarkwa. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp (CIP)
plant.
**Geology**: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping
Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through
Iduapriem and northwards towards Teberebie.

**Safety:** With the heightened focus on training and education, safety performance improved consistently throughout the year.
As at year end, the mine achieved 3.57 million hours worked without a lost-time injury. The LTIFR was 0.46 (2006: 1.15). No fatalities were recorded.
**Operating review**: After the problems experienced in the first quarter of the year with a mill gearbox failure at the treatment plant which impacted adversely on production, there was a turnaround in the second and third quarters. Unfortunately, at the start of the fourth quarter, the mine suffered another setback in production when a fire broke out at the main substation which affected one of two transformers that supply power to the mine. The problem took about a month to resolve following which a series of crusher problems further impacted on the mine's performance for the fourth quarter. Total attributable production for the year at 167,000 ounces remained unchanged from 2006.
Total cash costs for the year was 20 percent higher at $497 per ounce owing to the combined impact of the mill shutdown and increases in contract mining costs.
Attributable capital expenditure for the year amounted to $23 million which was significantly up on the $5 million spent in 2006.
The increased capital expenditure was spent primarily on the plant expansion and other items.
The expansion project, which will increase current plant capacity by about 15 percent, was a highlight of the year with additional staff being located on site to progress with detailed design work and preparation for the mobilization of the main contractors. Construction of the expansion project advanced with the appointment of the civil contractor and completion of the tender for the structural mechanical and process piping component of the project. The electrical and instrumentation contracts are yet to be tendered. By year-end, good progress had been made with the earthworks and infrastructure for the new crushing plant, ball mill and thickener areas. Long lead items such as the gyratory crusher, ball mill shell and other relevant equipment arrived on site before year-end. The project is expected to be commissioned during the fourth quarter of 2008.
**Growth prospects:** The mine has limited growth prospects on surface. The scoping study to evaluate the viability of exploiting the considerable low-grade mineral resources of other properties lying in the Tarkwaian conglomerates that extend below the economic limits of the existing pits was not pursued during the year. However, the recent surge in the gold price has caused renewed interest in evaluating this prospect further. Additional drilling is planned to be carried out in 2008 to give more confidence to existing data and the scoping study will subsequently be progressed to pre-feasibility stage.

**Operating and production data for Iduapriem**

| | **2007** (4) | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.06 | 0.05 | 0.023 |
| Pay limit (g/t) | | | |

1.66 1.60 0.72
Recovered grade (oz/t)
(1)
0.054
0.051
0.050
Recovered grade (g/t)
(1)
1.85
1.74
1.71
Gold production (000 oz) 100 percent
185
196
205
Gold production (000 oz) 100 percent
(4)
167
167
174
Total cash costs ($/oz)
(2)
497
413
348
Total production costs ($/oz)
(2)
653
544
477
Capital expenditure ($ million) 100 percent
24
6
5
Capital expenditure ($ million) 100 percent
(4)
23
5
4
Employees
(3)
721 668 698
Outside contractors
(3)
602
583
585
*(1)*
*Recovered grade represents open pit operations.*
*(2)*

*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(3)*

*Average for the period.*

*(4)*

*100 percent owned effective September 1, 2007. Prior to this date, the effective holding was 85 percent.*

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**GUINEA**

AngloGold Ashanti has one gold mining operation, Siguiri, in the Republic of Guinea. Siguiri produced 280,000 attributable ounces of gold in 2007, equivalent to 5 percent of group production.

**Rights:** In Guinea, all mineral substances are the property of the State. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession.

The group's Guinea subsidiary, Société Ashanti Goldfields de Guinée SA (SAG), has title to the Siguiri mining concession area which was granted on November 11, 1993 for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust economic Ore Reserves.

The original area granted encompassed 8,384 square kilometers which the subsidiary was required to reduce to five or fewer single blocks of not less than 250 square kilometers per block totaling not more than 1,500 square kilometers by November 11, 1996. The retrocession reduced the Siguiri concession area to four blocks totaling 1,495 square kilometers.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for a further 22-year period from November 11, 1996 under conditions detailed in a Convention de Base predating the new Guinea Mining Code.

Key elements of the Convention de Base are: the government of Guinea holds a 15 percent free-carried or non-contributory interest; a royalty of 3 percent based on a spot gold price of less than \$475, and 5 percent based on a spot gold price above \$475, as fixed on the London Gold Bullion Market, is payable on the value of gold exported; a local development tax of 0.4 percent is payable on the gross sales revenues; salaries of expatriate employees are subject to a 10 percent income tax; mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and SAG is committed to adopt and progressively implement a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to do so, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by our subsidiary or if SAG goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

In addition to the export tax payable to the government of Guinea, a royalty on production may be payable to the International Finance Corporation (IFC) and to Umicore SA, formerly Union Miniere (UM). Pursuant to the option agreement between

UM and Golden Shamrock Mines Limited (GSM), a royalty on production may be payable to UM by Chevaning Mining Company Limited (CMC) or GSM, which payment obligation has been assigned to AngloGold Ashanti (Ghana) Limited, on a sliding scale of between 2.5 percent and 7.5 percent based on the spot gold price per ounce between $350 and $475, subject to indexing from January 1, 1995, to a cumulative maximum of $60 million. In addition, under the terms of the restructuring agreement with the IFC, a sliding scale royalty on production may be payable to the IFC calculated on the same basis but at half the rate payable to UM, to a maximum of $7.8 million.

**Siguiri (attributable 85 percent)**

**Description:** AngloGold Ashanti has an interest of 85 percent in Siguiri and the government of Guinea, 15 percent. The Siguiri
mine is a conventional open-pit operation situated in the Siguiri district in the north-east of the Republic of Guinea, West Africa,
about 850 kilometers from the capital city of Conakry. The nearest major town is Siguiri (some 50,000 inhabitants), located on
the banks of the Niger River. All ore and waste is mined by a mining contractor and the ore is processed using carbon-in-pulp
(CIP) and heap-leach processes. Siguiri mines two types of gold deposits, laterite and in situ quartz-vein related mineralizations. The Siguiri gold plant has a capacity of 800,000 tonnes per month.

**Geology**: This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences.

The two main types of gold deposits which occur in the Siguiri basin and are mined are:

- laterite or CAP mineralization which occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent
to, and immediately above; and
- in situ quartz-vein related mineralization hosted in meta-sediments with the better mineralization associated with vein
stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralized rocks have been deeply weathered to below 100 meters in places to form saprolite or SAP mineralization.

The practice at Siguiri 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.

**Safety:** Overall safety standards improved at Siguiri with an LTIFR for the year of 0.41 per million hours worked (2006: 0.77).

No fatalities were recorded.

**Operating review:** Attributable production increased by 9 percent to a record 280,000 ounces in 2007
(2006: 256,000 ounces), which was more than had been planned.

Total cash costs were again considerably higher at $471 per ounce (2006: $398 per ounce), due to higher royalty payments
which are a function of the significantly higher gold price, and higher fuel costs. Siguiri is currently in discussion with the
Guinean government regarding the relationship between fuel prices and the exchange rate. Compounding the problem of
rising costs is that the increase in local labor costs, together with the appreciation of the Guinean franc against the dollar, has
changed the cost profile and labor costs now account for a greater proportion of total costs.

The CIP plant had a consistently good operation in 2007. A total of 9.8 million tonnes of ore was processed for the year with
plant availability of 91.6 percent and a recovery rate of 94.2 percent.

Attributable capital expenditure for the year amounted to $18 million compared to $14 million in 2006.

**Growth prospects:** Regarding the CIP plant, the design of a second gravity concentrator and de-gritting facilities are being
finalised and will be installed during 2008; these are expected to improve productivity.

**Operating and production data for Siguiri**

| 2007 | 2006 | 2005 |
|---|---|---|

Pay limit (oz/t)
0.03 0.03 0.017
Pay limit (g/t)
0.95 0.94 0.55
Recovered grade (oz/t)
(1)
0.031
0.032
0.035
Recovered grade (g/t)
(1)
1.05
1.08
1.21
Gold production (000 oz) – 100 percent
330
301
289
Gold production (000 oz) – 85 percent
280
256
246
Total cash costs ($/oz)
(2)
471
398
301
Total production costs ($/oz)
(2)
629
593
451
Capital expenditure ($ million) – 100 percent
21
19
36
Capital expenditure ($ million) – 85 percent
18
14
31
Employees
(3)
1,537 1,541 1,170
Outside contractors
(3)
1,380
1,167
808
*(1)*
*Recovered grade represents open pit operations.*
*(2)*

*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(3)*
*Average for the period.*

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**MALI**

AngloGold Ashanti has interests in three gold mining operations, all of which it manages in Mali. They are Sadiola, Yatela and Morila. The Malian operations together produced 441,000 attributable ounces of gold in 2007 equivalent to 8 percent of group production.

Ownership of these three operations is as follows:

- Sadiola: AngloGold Ashanti and IAMGOLD each have a stake of 38 percent while the government of Mali has a stake of 18 percent and the International Finance Corporation, 6 percent.
- Yatela: this operation is owned by Société d'Exploration des Mines d'Or de Yatela SA, a joint venture in which AngloGold Ashanti and IAMGOLD each have an effective holding of 40 percent and the government of Mali, 20 percent.
- Morila: this is a joint venture between AngloGold Ashanti and Randgold Resources in which each has a 40 percent interest. The remaining 20 percent is held by the Malian government.

**Rights:** Mineral rights in Mali are governed by Ordinance No. 99-32/P-RM of August 19, 1999 enacting the mining code, as
amended by 013/2000/P-RM of February 10, 2000 and ratified by Law No. 00-011 of May 30, 2000 (the "Mining Code"), and
Decree No. 99-255/P-RM of September 15, 1999 implementing the Mining Code.

Prospecting activities may be carried out under prospecting authorizations (autorisation de prospection) which is an exclusive
right for an individual or corporate entity to carry out prospecting activities over a given area for a period of three (3) years
renewable without a reduction in the area of the authorization. Research activities may be carried out under research permits
(permis de recherche). The latter are granted to corporate entities only by order of the Minister in charge of Mines. Research
permits are granted for a period of three (3) years, renewable twice for additional three-year periods. Each renewal of the
research permit requires a relinquishment of 50 percent of the area covered by such permit. The entity applying for such a
permit must provide proof of technical and financial capabilities.

An exploitation permit (permis d'exploitation) is required to mine a deposit located within the area of a prospecting authorization
or a research permit. The exploitation permit grants exclusive title to prospect, research and exploit the named substances for
a maximum period of thirty (30) years renewable three times for an additional 10 years). The exploitation permit is granted only
to the holder of an exploration permit or of a prospecting authorization and covers only the area covered by the exploration
permit or the prospecting authorization. An application must be submitted to the Minister in charge of Mines and to the National

Director of Mines.

As soon as the exploitation permit is granted, the holder of the exploitation permit must incorporate a company under the law of Mali. The holder of the permit will assign the permit for free to this company. The State will have a 10 percent free carry interest. This interest will be converted into priority shares and the State's participation will not be diluted in the case of increasing the capital.

The mining titles mentioned above all require an establishment convention (Convention d'Etablissement) to be signed by the State and the titleholder defining their rights and obligations. A standard form of such establishment convention has been approved by decree of the Head of Government.

AngloGold Ashanti has interests at Morila, Sadiola and Yatela, all of which are governed by establishment conventions (Convention d'Etablissement) covering exploration, mining, treatment and marketing in a comprehensive document. These documents include the general conditions with regard to exploration (work program, fiscal and customs regime) and exploitation (formation of a local limited liability company and mining company, state shareholdings, the fiscal and customs regime during construction and exploitation phases, exchange controls, marketing of the product, accounting regime, training programs for local labor, protection of the environment, reclamation, safety, hygiene and settlement of disputes).

Due to the fact that the establishment conventions contain stabilization clauses, the mining operations carried out by the
AngloGold Ashanti subsidiaries in Mali are subjected to the provisions of the previous mining codes of 1970 and 1991 but also,
for residual matters, to the provisions of the Mining code of 1999.
AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola
and Yatela have thirty (30) year permits which expire in 2029, 2024 and 2030, respectively.

**Sadiola (attributable 38 percent)**

**Description:** Sadiola is situated in the far south-west of the country, 77 kilometers to the south of the regional capital of Kayes.
Mining takes place in five open pits and the ore mined is treated and processed in a 435,000 million tonnes per month (5.2 million tonnes per month) CIP gold plant. The Sadiola gold pant has a capacity of 435,000 tonnes per month.

**Geology**: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the
Kenieba Window. The specific rocks which host the mineralization are marbles and greywackes which have been intensely
weathered to a maximum depth of 200 meters. A series of north-south trending faults occur that are the feeders to the Sadiola
mineralization. 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 mineralization, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally
consists of two zones, an upper oxidized cap and an underlying sulphide zone. From 1996 until 2002, shallow saprolite oxide
ore from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulphide ore has been mined and in
future will progressively replace the depleting oxide reserves.

**Safety:** Overall safety standards were maintained at Sadiola with an LTIFR for the year of 1.11 (2006: 1.02). No fatalities were
recorded.

**Operating review:** Attributable production at Sadiola declined year-on-year by 26 percent to 140,000 ounces
(2006: 190,000 ounces). While there was a steady increase in production during the course of the year, this failed to make up
for the sharp drop which had occurred during the first quarter of the year. This decline in the throughput of tonnes was a result
of plant optimization to improve recovery of sulphide ores. The decline in the grade of feed to the plant was a result of a
decision to withhold high-grade sulphide feed prior to the commissioning of the gravity circuit at the concentrator in
December 2007. Consequently, total cash costs rose sharply by 54 percent to $414 per ounce (2006: $268 per ounce).
Total capital expenditure of $16 million or an attributable $6 million, was spent during the year. A new gravity circuit was
installed at the metallurgical plant to improve the recovery rates for the sulphide ores.

**Growth prospects:** Various options are to be reviewed in the coming year to improve current assumptions in the Deep
Sulphide Project concerning mining method, scale, energy and metallurgical recovery.

**Operating and production data for Sadiola**

| 2007 | 2006 | 2005 |
|---|---|---|

Pay limit (oz/t)
0.08 0.06 0.05
Pay limit (g/t)
2.46 1.98 1.80
Recovered grade (oz/t)
0.081
0.094
0.080
Recovered grade (g/t)
2.76
3.22
2.73
Gold production (000 oz) 100 percent
369
500
442
Gold production (000 oz) 38 percent
140
190
168
Total cash costs ($/oz)
(1)
414
268
265
Total production costs ($/oz)
(1)
479
363
440
Capital expenditure ($ million) 100 percent
16
11
18
Capital expenditure ($ million) 38 percent
6
4
7
Employees
(2)
618 589 584
Outside contractors
(2)
911
705
661
*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(2)*

*Average for the year.*

**Yatela (attributable 40 percent)**

Description: Yatela is situated some 25 kilometers north of Sadiola and approximately 50 kilometers south-south-west of Kayes. This is a single pit operation. The ore mined is treated at a heap-leach pad together with carbon-loading. The carbon is then eluted and the gold smelted at nearby Sadiola. The Yatela gold plant has a capacity of 250,000 tonnes per month.

**Geology**: Yatela mineralization occurs as a keel-shaped body in Birimian metacarbonates. The 'keel' is centered on a fault which was the feeder for the original mesothermal mineralization, with an associated weakly mineralized diorite intrusion.

Mineralization 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.

**Safety:** Overall safety standards improved at Yatela with an LTIFR for the year of 0.39 (2006: 0.43). No fatalities were recorded.

**Operating review:** Attributable gold production at Yatela declined by 15 percent to 120,000 ounces (2006: 141,000 ounces).

Mining from the bottom of the main pit was completed in July 2007, after which lower grade ore from the stockpiles was fed to the heap leach pad.

Total cash costs increased dramatically, to $300 per ounce as a result of the decline in gold production, the appreciation of the euro and the FCFA against the dollar, and higher fuel prices.

Capital expenditure of $5 million (attributable $2 million) increased in 2007 and was spent mostly on additional leach pads to accommodate the extension in the life of mine.

**Operating and production data for Yatela**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.04 | 0.06 | 0.05 |
| Pay limit (g/t) | 1.37 | 1.79 | 1.66 |
| Recovered grade (oz/t) | 0.101 | 0.120 | 0.087 |
| Recovered grade (g/t) | 3.46 | 4.12 | 2.99 |
| Gold production (000 oz) 100 percent | 301 | 352 | 246 |
| Gold production (000 oz) 40 percent | 120 | 141 | 98 |

| | | | |
|---|---|---|---|
| Total cash costs ($/oz) (1) | 300 | 241 | 263 |
| Total production costs ($/oz) (1) | 342 | 326 | 347 |
| Capital expenditure ($ million) 100 percent | 5 | 3 | 5 |
| Capital expenditure ($ million) 40 percent | 2 | 1 | 2 |
| Employees (2) | 265 | 203 | 210 |
| Outside contractors (2) | 638 | 675 | 700 |

*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(2)*
*Average for the year.*

**Morila (attributable 40 percent)**

**Description:** The Morila mine is situated some 180 kilometers by road south-east of Bamako, the capital of Mali. Open-pit mining takes place at five cuts within one pit. The current focus is on cuts 4 and 5. At its peak, the Morila pit will be approximately 1.4 kilometers by 1 kilometer and up to 240 meters deep. The plant, which comprises a conventional carbon-in-leach (CIL) process with an upfront gravity section to extract the free gold, has throughput capacity of 350,000 tonnes per month and 4.2 million tonnes per annum. It has a capacity of 350,000 tonnes per month.

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

**Safety:** Overall, the level of lost-time injuries was maintained at Morila with an LTIFR for the year of 0.57 per million hours worked (2006: 1.42). The OHSAS 18001 Safety Management certification was achieved by November 2007. Sadly, the Morila team lost two fellow colleagues on February 9, 2007 during an explosion caused by the inadvertent mixing of two chemicals. This resulted in a FIFR for the year of 0.57 per million hours worked (2006: 0).

**Operating review**: Attributable gold production at Morila decreased by 13 percent to 180,000 ounces (2006: 207,000 ounces), with the significant increase in production in the second half of the year not quite making up for the losses recorded in the first half of the year. The initial fall in production levels was a result of a decline in the recovered grade which improved markedly later in the year with the mining and processing of higher grade ore.

Mining production efficiencies improved significantly in the second half of 2007 as highlighted by the achievement of 1,001,444 BCMs in September month. The optimal use of in-pit backfill (leaving waste in the pit) resulted in significant savings and an increase in mining production.

Total cash costs increased by 25 percent to $333 per ounce largely owing to the decline in production and an increase in cash costs caused by higher fuel costs and a weakening in the dollar against the FCFA and the euro. As a result, fuel, local salaries, mining contractor and certain reagent costs increased significantly.

**Operating and production data for Morila**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.08 | 0.08 | 0.07 |
| Pay limit (g/t) | 2.46 | 2.41 | 2.27 |
| Recovered grade (oz/t) | 0.098 | 0.113 | 0.158 |
| Recovered grade (g/t) | 3.36 | | |

3.88
5.41
Gold production (000 oz) 100 percent
450
517
655
Gold production (000 oz) 40 percent
180
207
262
Total cash costs ($/oz)
(1)
333
266
191
Total production costs ($/oz)
(1)
406
367
298
Capital expenditure ($ million) 100 percent
1.3
3
5
Capital expenditure ($ million) 40 percent
0.5
1
2
Employees
(2)
498 500 478
Outside contractors
(2)
1,188
1,075
705
*(1)*
*Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*
*(2)*
*Average for the year.*

***NAMIBIA***

AngloGold Ashanti has one gold mining operation in Namibia, namely Navachab, which is wholly owned. In 2007, Navachab produced 80,000 ounces of gold, equivalent to 1 percent of group production.

**Description:** The Navachab mine is situated near Karibib and 170 kilometers north-west of Windhoek in Namibia, on the south western cost of Africa.
Navachab is an open-pit mine and its processing plant, with a production capacity of 120,000 tonnes per month, includes mills, carbon-in-pulp (CIP) and electrowinning facilities. The Navachab gold plant has a capacity of 110,000 tonnes per month.

**Rights:** Mineral rights in Namibia vest in the State. In order to prospect or mine, the Ministry of Mines and Energy initially grants an exclusive prospecting license and on presentation of a feasibility study, a mining license is then granted taking into account the abilities of the company, including mining, financial and technical capabilities, rehabilitation programs and payment of royalties. The relevant license has been granted to AngloGold Namibia (Pty) Ltd in respect of its mining and prospecting activities in Namibia. The current 15-year Mining license expires in October 2018.

**Geology**: The Navachab deposit is hosted by Damaran greenschistam-phibolite facies, calc-silicates, marbles and volcanoclastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralized zone forms a sheet-like body which plunges at an angle of approximately 20 degree to the north-west. The mineralization is predominantly hosted in a sheeted vein set (±60 percent) and a replacement skarn body (±40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

**Safety:** Overall safety standards were maintained at Navachab with an LTIFR for the year of 4.59 (2006: 4.09). No fatalities were recorded.

**Operating review:** Production declined in line with expectations to 80,000 ounces in 2007 (2006: 86,000 ounces).
Mining volumes declined mainly due to a lack of drill availability, from 7.8 million tonnes in 2006 to 7.3 million tonnes. Plant-production went up from 1.5 million tonnes in 2006 to 1.6 million tonnes in 2007 in line with expectations. Feed grade fell by 15 percent between 2006 and 2007.
Drill performance and drill capacity affected mining throughput as did the loss of skills to local and international competitors.
Grades were relatively low as the operation continued to strip the east pushback while metallurgical recovery was lower than expected.
Total cash costs rose by 36 percent to $475 per ounce. This increase was caused by an increase in the cost of labor, explosives and the grade-related decline in gold production.

Capital expenditure for the year was $6 million (2006: $5 million).

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**Growth prospects**: Work on the west pushback expansion is currently underway. Work on the dense media separation (DMS) plant is also at an advanced stage. Exploration aimed at increasing geological confidence will continue. Brownfields exploration projects will also increase the reserve base.

**Operating and production data for Navachab**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.04 | 0.04 | 0.05 |
| Pay limit (g/t) | 1.22 | 1.29 | 1.65 |
| Recovered grade (oz/t) | 0.046 | 0.053 | 0.060 |
| Recovered grade (g/t) | 1.56 | 1.81 | 2.05 |
| Gold production (000 oz) 100 percent | 80 | 86 | 81 |
| Total cash costs ($/oz) (1) | 475 | 349 | 321 |
| Total production costs ($/oz) (1) | 525 | 407 | 333 |
| Capital expenditure ($ million) 100 percent | 6 | 5 | 5 |
| Employees (2) | 409 | 313 | 315 |
| Outside contractors (2) | – | – | – |

*(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(2) Average for the year.*

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***TANZANIA***

AngloGold Ashanti has one gold mining operation in Tanzania, Geita, which produced 327,000 ounces of gold in 2007, equivalent to 6 percent of group production.

**Rights:** Mineral rights in the United Republic of Tanzania are governed by the Mining Act of 1998 (the Act), and property and control over minerals are vested in the United Republic of Tanzania. Prospecting for the mining of minerals, except petroleum, may only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under this Act.

The three types of mineral rights most often encountered, which are also those applicable to AngloGold Ashanti, are: prospecting licenses; retention licenses; and mining licenses.

A prospecting license grants the holder thereof the exclusive right to prospect in the area covered by the license for all minerals, other than building and gemstones, for a period of three years. Thereafter, the license is renewable for two further periods of renewal of two years each. On each renewal of a prospecting license, 50 percent of the area covered by the license must be relinquished. Before application is made for a prospecting license with an initial prospecting period ("a Prospecting License"), a prospecting license with a reconnaissance period ("a Prospecting Reconnaissance") may be applied for a maximum area of 5,000 square kilometers is issued for a period of two years after which a three-year Prospecting License is applied for a company applying for a prospecting license must, inter alia, state the financial and technical resources available to it. A retention license can also be requested from the Minister, after the expiry of a Prospecting License period, for reasons ranging from funds to technical considerations.

Mining is carried out through either a mining license or a special mining license, both of which confer on the holder thereof the exclusive right to conduct mining operations in or on the area covered by the license. A mining license is granted for a period of 10 years and is renewable for a further period of 10 years. A special mining license is granted for a period of 25 years or for the estimated life of the orebody, whichever is shorter, and is renewable for a further period of 25 years. If the holder of a prospecting license has identified a mineral deposit within the prospecting area which is potentially of commercial significance, but it cannot be developed immediately by reason of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention license which will entitle the holder thereof to apply for a special mining license when it sees fit to proceed with mining operations.

A retention license is valid for a period of five years and is thereafter renewable for a single period of five years. A mineral right

may be freely assigned by the holder thereof to another person or entity by notifying the Commissioner for Minerals, except for
a mining license, which must have the approval of the Ministry to be assigned.
However, this approval requirement for the assignment of a mining license will not apply if the mining license is assigned to an
affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining
operations.
A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-
term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts.
AngloGold Ashanti has complied with all applicable requirements and the relevant licenses have been issued for 25 years and
expire in 2024.

**Geita**
**Description:** The Geita gold mine is situated 80 kilometers south-west of the town of Mwanza in the north-west of Tanzania.
The Geita gold deposit is an Archaean mesothermal orebody, largely hosted in a banded ironstone formation. It is a multiple open-pit operation with further underground potential which is currently serviced by a 6 million tonnes per annum carbon-in-leach (CIL) processing plant. Standard open-pit mining methods are employed; hard overburden is drilled and blasted hydraulic excavators are used to load waste material into a fleet of large dump trucks exposing the gold bearing ore material which is directed to the processing plant. The processing plant has a capacity of 490,000 tonnes per month.
**Geology:** Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralization is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralization can occur in the diorite as well (usually in association with BIF-hosted mineralization), and approximately 20 percent of the gold is hosted in the diorite.
**Safety:** Overall safety standards were maintained at Geita with an LTIFR for the year of 0.68 (2006: 0.63). No fatalities were recorded.
**Operating review:** Production at Geita is gradually improving year on year following the serious decline in production in 2006.
This was exacerbated by the collapse of part of the Nyankanga pit sidewall during the first quarter of 2007, which covered a portion of the higher grade orebody. Gold production increased from 308,000 ounces in 2006 to 327,000 ounces in 2007, an increase of 6 percent. The average grade of ore processed increased from 1.68g/t in 2006 to 2.01g/t in 2007. The collapse of the Nyankanga pit in the first quarter delayed access to the higher grade exposed ore in this area and resulted in the mining plan for the year being revised. Production and tonnage throughput in particular was further aggravated by wet ore, mill lubrication problems and a major shutdown of the primary crusher for planned maintenance as well as damage to the ball mill discharge which led to reduced processing plant availability. There was a considerable improvement in the third quarter of 2007 as Nyankanga ore was accessed, however, grades were not sustainable, the material was harder and as a result plant throughput was reduced and fourth quarter gold production suffered as a result.
Total cash costs at $627 per ounce remained effectively unchanged from 2006 ($630 per ounce). Reduced expenditure on equipment re-builds and contractor services also contributed to the containment of costs. Capital expenditure for 2007 was $27 million (2006: $67 million).
**Growth prospects:** At the end of 2007 advanced grade control drilling had begun at the Star & Comet project in preparation to start mining in the second quarter of 2008. The adjacent Roberts project will begin mining towards the end of 2008.
Exploration activities during 2007 focused on strike additions at Area 3 and the detection of regolith gold anomalies

below laterite cover via air core drilling. The regolith program identified a 2 kilometers gold in saprolite anomaly that requires follow-up drilling.

Metallurgical testwork continued during 2007 to identify a processing route for refractory ores at Matandani Kukuluma which still contain significant potential. A scoping study into the underground potential at Nyankanga and Geita Hill began in 2007.

**Operating and production data for Geita**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Pay limit (oz/t) | 0.09 | 0.13 | 0.07 |
| Pay limit (g/t) | 3.04 | 4.16 | 2.27 |
| Recovered grade (oz/t) | 0.059 | 0.049 | 0.092 |
| Recovered grade (g/t) | 2.01 | 1.68 | 3.14 |
| Gold production (000 oz) | 327 | 308 | 613 |
| Total cash costs ($/oz) (1) | 627 | 630 | 298 |
| Total production costs ($/oz) (1) | 817 | 766 | 419 |
| Capital expenditure ($ million) | 27 | 67 | 78 |
| Employees (2) | 2,304 | 2,043 | 1,066 |
| Outside contractors (2) | 922 | 1,177 | 1,214 |

*(1)* *Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating*

*results – Total cash costs and total production costs".*

*(2)*

*Average for the year.*

**UNITED STATES OF AMERICA**

Cripple Creek & Victor is AngloGold Ashanti's sole operation in the United States. In 2007, Cripple Creek & Victor produced 282,000 ounces of gold, 5 percent of group production.

Cripple Creek & Victor (CC&V) is a joint venture in which AngloGold Ashanti has a 67 percent interest and Golden Cycle Gold Corporation holds the balance of 33 percent. AngloGold Ashanti is the manager of CC&V and has a 100 percent interest in the gold produced by CC&V until the loans extended to the joint venture are repaid.

Subsequent to year-end, on January 14, 2008, AngloGold Ashanti announced the execution of an Agreement and Plan of Merger in order to acquire 100 percent of Golden Cycle Gold Corporation, thus owning 100 percent of CC&V. The closing of that transaction is anticipated to be completed in the second quarter of 2008 subject to various matters including approval by Golden Cycle Gold Corporation's shareholders, satisfaction of certain closing conditions, and receipt of all necessary regulatory approvals.

**Rights:** Mineral rights, as well as surface rights, in the United States are owned by private parties, state governments and the federal government. Most land prospective for precious metals exploration, development and mining are owned by the federal government and are obtained through a system of self-initiated mining claim location pursuant to the General Mining Law of 1872, as amended. Individual states typically follow a lease system for state-owned minerals. Private parties have the right to sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. All mining activities, regardless of whether they are situated on privately- or publicly-owned lands, are regulated by a myriad of federal, state and local laws, regulations, rules and ordinances, which address various matters including environmental protection, mitigation and rehabilitation.

Authorizations and permits setting forth the activities and restrictions pertaining thereto are issued by the responsible governmental agencies for all phases of mining activities.

The Cripple Creek & Victor Gold Mining Company joint venture consists almost entirely of owned patented mining claims from public lands, with a small percentage of private and state lands being leased. The total area of control is approximately 7,100 acres. Patented claims vest ownership in the holder, including the right to mine for an indefinite tenure. All life-of-mine reserves are within these property controls. The mining and rehabilitation permits issued by the State of Colorado are life-of-mine permits.

**Cripple Creek & Victor (attributable 67 percent with 100 percent interest in production)**

**Description:** Located in the state of Colorado in the United States, CC&V's Cresson mine is a low-cost, open-pit mining operation which treats the ore mined by means of a heap-leach pad, which is one of the largest in the world.

Production began
here in 1994.

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

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently
facilitated the formation of the volcanic complex. The majority of the complex then in-filled with the eruptive phase Cripple
Creek Breccia host rock. This complex was subsequently intruded by a series of intrusive dykes and sills that include syenites,
phonolites, phonotephrites and lamprophyres. These intrusive occupy all of the dominant district structural orientations.

District structures are generally near vertical and strike north-north-west to north-east. These structures acted as primary
conduits for the late-stage gold mineralizing solutions. Higher grade pods of mineralization occur at structural intersections

and/or as sheeted vein along zones of strike deflection. High-grade gold mineralization is associated with K-feldspar + pyrite
+/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralization 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 meters 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 mineralization can be
encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.
**Safety:** As at March 2007, CC&V had reported 43 months without a single lost-time injury. This record was unfortunately
interrupted in the second quarter of the year when there was one lost-time accident. Consequently, the LTIFR for the year was
3.00 per million hours worked (2006: 0.0). No fatalities were recorded this year.
The DuPont Safety Training (STOP) program implemented in 2003 and the risk-based safety management system implemented in 2005 continue to have very positive safety results. An extension of the STOP program, called Train the
Trainers, was implemented in 2007 to continue to enhance safety at CC&V. The program is designed to prepare supervisors
for peer training prior to crew training.
**Operating review:** In 2007, production at CC&V fell marginally to 282,000 ounces from 283,000 ounces in 2006. A total of
23 million tonnes were placed on the heap-leach pad. The decline in production was a result of the greater distance over
which the gold-bearing-leach solution had to be transported from the higher stacked ore to the leach-pad liner. This decline
was compounded in the third quarter by delayed production from the leach-pad stacking levels.
Overall, there was an increase in total cash costs of 8 percent to $269 per ounce from $248 per ounce in 2006, principally as a
result of rising commodity costs, and of diesel fuel in particular. A decrease in costs due to lower contractor costs was more
than made up for by increases in fuel costs as oil prices hit record levels on global markets and creeping inflation in the general
US economy.
Capital expenditure for the year amounted to $23 million (2006: $13 million).
**Growth prospects:** The proposed mine life extension project is to include the development of new sources of ore and an
extension to the additional heap leach facility.
**Cripple Creek & Victor – Summary of metallurgical operations**
**Gold plants**
Capacity (000 tonnes/month)
-
crushed ore production
1,739

| | |
|---|---|
| - total ore production | 1,796 |
| - solution processed | 2,371 |

**Operating and production data for Cripple Creek & Victor operations**

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| 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 | 0.016 | 0.018 |
| Recovered grade (g/t) | 0.53 | 0.54 | 0.62 |
| Gold production (000 oz) | 282 | 283 | 330 |
| Total cash costs ($/oz) (1) | 269 | 248 | 230 |
| Total production costs ($/oz) (1) | 521 | 498 | 418 |
| Capital expenditure ($ million) | 23 | 13 | 8 |
| Employees (2) | 338 | 325 | 313 |
| Outside contractors (2) | 67 | 44 | 44 |

*(1)* *Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".*

*(2)* *Average for the year.*

**Global Exploration**
Total exploration expenditure in 2007 amounted to $167 million (including equity accounted joint ventures). The main aim of
both exploration programs is to identify new ounces of gold that are attributable to AngloGold Ashanti.
The main focus of AngloGold Ashanti's 2007 exploration program was on greenfields exploration, i.e. exploration in new
terrains, notably in Australia, Colombia, and the Democratic Republic of Congo (DRC). Brownfields exploration, which is aimed
at identifying ounces for production at or around existing mines, was undertaken around most current operations, with the most
successful programs being undertaken in Ghana, the United States of America, Australia, and Guinea.
Greenfields exploration activities were undertaken in seven countries – Australia, China, Colombia, the DRC, Laos, the
Philippines and Russia – during 2007. A total of 378,014 meters of diamond, reverse circulation and aircore drilling was
completed during the year, drill testing existing priority targets and delineating new targets in Australia, Colombia and the DRC.
Greenfields activities in Russia, China, Laos, and the Philippines were predominantly undertaken through joint ventures and
strategic alliances, with exploration activities in Laos eventually being discontinued in late-2007. While the discovery of new
long-life, low-cost mines remains the principle aim of the greenfields exploration program, AngloGold Ashanti is also committed
to maximizing shareholder value by exiting from or selling those exploration assets that do not meet its internal growth criteria
and by opportunistically investing in prospective junior exploration companies.
A significant drill program and conceptual study are concurrently being undertaken at AngloGold Ashanti's 100 percent-owned
Colosa project in Colombia. In 2008, exploration expenditure is expected to be some $185 million to $215 million.
*Argentina*
At Cerro Vanguardia, reconnaissance drilling continued on veins identified by regional mapping and geophysics. Drilling to
extend some of the current ore shoots was successful.

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*Australia*
At Sunrise Dam, brownfields exploration continues to focus on increasing the underground Mineral Resource inventory and
increasing the confidence category of Mineral Resources so that Ore Reserve conversion can occur.
At Boddington Gold Mine, a maximum of seven diamond drill rigs were employed during the year to complete a total of
121,212 meters of drilling in 151 holes targeting in-pit Mineral Resource conversion and near-pit Resource extensions.
The Tropicana Joint Venture covers approximately 12,000 kilometers and is located to the east and north-east of Kalgoorlie in
Western Australia. The Joint Venture held by AngloGold Ashanti Australia Limited and Independence Group NL. AngloGold
Ashanti holds a 70 percent managing interest in the joint venture with Independence Group NL free carried until completion of
the pre-feasibility study. However, Independence has agreed to co-fund certain activities prior to the completion of the pre-
feasibility study to ensure timely development of the project.
Drilling continued at the Tropicana prospect in 2007 with the mineralization identified in the Tropicana-Havana zones moving
into prefeasibility study assessment in May. The study is focused on assessing the viability and options for developing an open
pit gold mining operation.
Reconnaissance exploration continues in parallel throughout the Tropicana joint venture tenements with a number of prospects
identified by auger sampling and aircore drilling over a 40 kilometers strike trend north and south of the Tropicana prospect.
Significant results have been obtained from limited aircore and reverse circulation drilling at the Beachcomber prospect,
located approximately 200 kilometers south of the Tropicana prospect.
*Brazil*
At Córrego do Sítio, drilling of underground deposits continued. A total of 40,500 meters were drilled during 2007 and were
aimed at defining new orebodies and upgrading the level of information of known orebodies. Drilling concentrated on the
Laranjeiras and the Paraiso orebodies. At Lamego, a total of 24,400 meters were drilled. The drilling consisted of a
combination of deep drilling targeted at the depth extension of the Cabeca de Pedra and Arco da Velha orebodies, surface infill
drilling at Arco da Velha and underground infill drilling at Carruagem. Regional geophysics, mapping and sampling continued.
At Serra Grande, in October 2007 a new deposit, Orebody Pequizáo, was identified between Mina Nova and Mina III. Drilling
continues and a significant high-grade deposit is being targeted.
*China*
AngloGold Ashanti has entered into three co-operative joint ventures (CJVs) with local partners at Yili-Yunlong (Xinjiang
province), Jinchanngou (Gansu province), and Pingwu (Sichuan province). Business licenses have now been issued by the
respective local authorities for the Yili-Yunlong and Jinchanggou CJVs (with systematic ground exploration now under way),
whereas the business license for the Pingwu CJV is expected to be issued in early 2008.

A short (1,053 meters) diamond drill program was completed on the Yili-Yunlong CJV in late-2007. The primary objective of this drill program was to test the vertical continuity of outcropping gold-copper mineralization, however, drilling only succeeded in intersecting weakly anomalous mineralization at depth. At Red Valley (Qinghai), assay results from the 3,300 meters diamond-drill program were also reviewed and confirmed the presence of only low-grade gold mineralization within the principal targets.
As a result, AngloGold Ashanti has elected to withdraw from earning into this CJV.

*Colombia*

Regional exploration and target generation activities continued in Colombia during 2007. A conceptual economic study was also completed on the bulk-tonnage Gramalote prospect (Antioquia Department). On February 14, 2008, AngloGold Ashanti announced the signing of a binding agreement with B2Gold Corp, in which B2Gold will have the option to earn into 51 percent of the Gramalote Project. AngloGold Ashanti will be issued 25 million shares and 21.4 million warrants in B2Gold Corp in exchange for this additional interest in Gramalote and certain other mineral properties in Colombia.

Resource delineation drilling was also undertaken at AngloGold Ashanti’s 100 percent-owned Colosa porphyry gold prospect (Tolima Department). To the end of December 2007, approximately 12,000 meters of diamond drilling (42 drill holes) had been completed at Colosa. Additional drilling and a conceptual study are currently being undertaken at Colosa.

*Democratic Republic of Congo (DRC)*
Exploration activities undertaken in the 10,000 square kilometers Concession 40 tenement (Ituri Province, northeastern DRC) included the advancement of resource delineation drilling on the known mineralization at Mongbwalu; and the start of regional target generation and evaluation activities between AngloGold Ashanti (86 percent) and OKIMO (14 percent), in which AngloGold Ashanti manages all exploration activities and OKIMO retains a free carried interest to production.
A conceptual economic study for the Mongbwalu deposit was completed by the end of 2007.
High-quality airborne geophysical data (airborne magnetics, radiometrics, and electromagnetics) were acquired over approximately 2,200 square kilometers (or nearly 25 percent) of Concession 40, using both fixed-wing and helicopter-based platforms. Interpretation of this geophysical data, in conjunction with compilations of the known geology and available geochemical data, form the basis of the regional target generation process. Drill testing of the highest priority regional targets is expected to be undertaken during 2008.
*Ghana*
Drilling for the Obuasi Deeps project below 50 level continued with the areas below KMS and Adansi Shafts being targeted.
*Guinea*
Drilling at Siguiri in 2007 focused on infill drilling at the following deposits: Sintroko (8 kilometers south of the plant), Kintinian (4 kilometers north), Foulata (45 kilometers north-west) and the spent heap leach. Mineral Resource extension drilling continued for the same deposits. Reconnaissance drilling was conducted to follow up on anomalies identified in Block 3 (35 kilometers north-east) and Block 4 (70 kilometers north-east). Surface geochemical sampling began on four new exploration licenses situated to the north of the mine. An airborne electromagnetic survey was flown in the second quarter and follow up on the identified targets has started.
*Laos*
The strategic exploration alliance in Laos between AngloGold Ashanti and Oxiana Ltd expired in December 2007 and was not extended by mutual agreement.
*Mali*
At Morila, the regional drilling program of 92 holes was completed during the first quarter and an intensive data integration and interpretation phase started. Work supported by international researchers continues in order to optimize the exploration process. During the year, two diamond holes were drilled to the west of the pit to examine the continuity of the orebody between the main deposit and Samacline. A further four diamond holes were drilled in the fourth quarter to follow up on potential extensions to mineralization in areas identified as being prospective. Minor geochemical and pitting programs were also conducted during the year.
At Sadiola, Phase 8 drilling, aimed at upgrading the Inferred high-grade zones of the main body and the footwall mineralization, was completed in the second quarter. A full review of the geological model for the lease was completed and as a result two

fence lines of diamond holes were drilled between the FE3 and FE4 deposits and through the FE4 deposit in order to follow up on potential mineralization trends. Results are still awaited for this drilling.

At Yatela, a small satellite to the main deposit was discovered to the north-west of the main pit and the final infill drilling is currently being completed. Definition drilling of the Dinguilou oxides was completed and modelling is on going. A program to investigate the deep sulphide breccias developed below the main deposit was started during the year and will continue in 2008.

*Namibia*

At Navachab, drilling concentrated on areas around the main pit particularly to the north-west and the west and in the Gecko Area. Promising results were obtained from the pit area and further drilling is planned in 2008. At Gecko, the central deposit was drilled to grade control spacing in order to test the continuity of the mineralization and further drilling was conducted on the south, north and far north extension. A stream sediment sampling program was conducted, both on and off lease, in order to follow up on previous work and to target new areas.

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*Philippines*

Work continued on finalizing the joint venture agreements with the two Red 5 prospects, Mapawa and Outer Siana. The start of detailed exploration at Mapawa currently awaits granting of a Mineral Production Sharing Agreement (MPSA) by the Mines and Geosciences Bureau in Manila.

*Russia*

Significant efforts were focused on finalizing the formation of the Polymetal/AngloGold Ashanti strategic alliance. In June 2007, AngloGold Ashanti concluded the purchase of Trans-Siberian Gold's interests in the Veduga and Bogunay projects in Krasnoyarsk for a consideration of $40 million, with the objective of contributing these assets to the new strategic alliance. In return, Polymetal has agreed to contribute two projects to the alliance – Imitzoloto and Eniseevskaya – with a value of $16 million and to make an initial payment of $12 million to AngloGold Ashanti. The Russian management company for the strategic alliance, Zoloto Taigi, has now been registered. By end-2007, the joint venture team had assumed management of exploration activities in the four initial project areas (Bogunay, Anenskoye and Veduga in the Krasnoyarsk region and Aprelskovkoye in the Chita region). In addition, the joint venture had successfully acquired the 390 square kilometer Sovremenie Prospect in the Krasnoyarsk region at auction.

AngloGold Ashanti continues to hold a 29.8 percent shareholding in Trans-Siberian Gold (TSG), whose primary asset is the Asacha gold-silver project in Kamchatka.

*South Africa*

At Moab Khotsong, five surface diamond holes were drilled during the year. MZA9 completed its initial deflections on the Vaal Reef and a long deflection to the east is under way. MGR7 completed its deflection program on the Vaal Reef in the third quarter. MMB5 continues to drill. MCY4 was reopened in the third quarter and a long deflection to the east is currently being drilled. MCY5 was also started in the third quarter and continues to drill.

Borehole G54, at Tau Lekoa, was started in the fourth quarter and deflection drilling continues.

*Tanzania*

At Geita, drilling at various levels continued at Kukuluma/ Matandani, Area 3 (south, central and west), the Lone Cone – the Nyankanga Gap and the Nyakabale-Prospect 30 area. An intensive phase of reconnaissance drilling was completed on various parts of the mining lease and will continue into 2008.

*United States*

At Cripple Creek & Victor in Colorado, drilling of the mine life extension project area continued during the year and was concentrated on the Altman, Globe Hill, Schist Island and Control Point areas. Development drilling was focused around Cresson, South Cresson and Schist Island. A total of 94,996 meters in 452 holes were drilled.

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**ORE RESERVES**
Ore reserve estimates are reported in accordance with the requirements of the SEC's Industry Guide 7. Accordingly, as of the
date of reporting, all reserves are planned to be mined out under the life-of-mine plans within the period of AngloGold Ashanti's
existing rights to mine, or within the renewal periods of AngloGold Ashanti's rights to mine. In addition, as of the date of
reporting, all reserves are covered by required permits and governmental approvals. See "Item 4B.: Business overview".
AngloGold Ashanti has standard procedures for the estimation of ore reserves. These standard procedures are performed by
technical personnel at the mining operations and reviewed by regional and corporate competent persons.
In the case of its underground mines, the procedure is as follows: Firstly, gold content and tonnage are estimated for in-situ
mineralized material at a mining operation. This mineralized material is not necessarily economically viable. Exclusions on the
grounds of safety (for example, stability pillars, shaft pillars) are then defined. Grade and tonnage curves specific for each of
the deposits, in conjunction with the cost structure, yield, mine call factor, gold price estimates are used to determine an
optimal mining mix. This process facilitates the determination of the average grade to be mined by each operation. This grade
is then applied to the grade-tonnage curves, which in turn facilitates the determination of the cut-off grade and ore reserve
tonnage for the operation. A full mine design is carried out on the blocks of mineralized material, excluding large mining areas
that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criterion and
practical limitations of access and timing. If the review process is positive then the mineralized material (with dilution) included
in the mining plan is declared and published as the ore reserve for that operation.
In the case of open-pit mines the procedure is as follows: revenue and costs are calculated for each mining block within a
three-dimensional model of the orebody using assumed values for gold price, operating costs and metallurgical recoveries. An
optimization process is then applied to determine the combination of blocks within the model that make a positive contribution
under these assumptions. Block selection is within a shell whose limits are defined by the planned slope angles of the pit.
Within this process, a cut-off grade is applied which determines the ore blocks to be treated and included in the ore reserves.
These blocks are scheduled with consideration being given to practical mining considerations and limitations. Scheduled ore
blocks that are classified as proven or probable constitute the ore reserve.
The gold price and exchange rate used for 2007 and 2006 Reserves are outlined in the following table.
**2006**
**( 3 Year Average)**
**2007**
**(Business Plan)**
**2007**
**(3 Year Average)**

**Units**
Reserve
Gold
Price
486 600 582
US$/oz
Exchange Rate – South Africa
6.53
7.70
6.72
ZAR/US$
Exchange Rate – Australia
0.75
0.71
0.78
Aus$/US$

Given the sustained increase in the gold price since 2002 and the positive gold price outlook, AngloGold Ashanti prepared its life of mine business plans using a gold price of $600 per ounce. The ore reserves determined from the planning process were then tested for economic viability at the three-year historical average gold price and currency exchange rates shown in the above table for determining SEC compliant reserves. The resultant SEC compliant proven and probable reserves are shown in the following pages.

In Australia and South Africa, AngloGold Ashanti is legally required to publicly report Ore Reserves and Mineral Resources according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC 2004) and the South African Code for Reporting of Mineral Resources and Ore Reserves (SAMREC 2000). The SEC's Industry Guide 7 does not recognize Mineral Resources. Accordingly, AngloGold Ashanti does not report estimates of Mineral Resources in this annual report on Form 20-F.

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The total AngloGold Ashanti Ore Reserves increased from 66.0 million ounces in 2006 to 72.2 million ounces in December 2007. The principal changes in AngloGold Ashanti's ore reserves as at December 31, 2007 compared with those
published as at December 31, 2006 are as follows:

| | |
|---|---|
| | **Moz** |
| **December 2006 Ore Reserves** | **66.0** |
| **Principal Reductions** **(1)** | |
| Geita, reconciliation factors (-0.8Moz), flattening of slopes (-0.5Moz), model revisions (-0.2 Moz) and costs (-0.1Moz) | -2.0 |
| Sadiola, impact of economic factors on deep sulphides and stockpiles | -1.3 |
| Kopanang, drop in value due to the modeling of new drilling and sampling information | -0.5 |
| Other | -1.7 |
| **Principal Additions** **(1)** | |
| Iduapriem, purchase of an additional 15 percent of the operation from the Ghananian Government and the IFC, to bring the ownership to 100 percent | 0.2 |
| Savuka, improved economic factors increased the Life of Mine | 0.5 |
| Navachab, improved economics have brought in an additional push back to the west of the main pit | 0.8 |
| Siguiri, two new deposits (Kintinian and the spent heap) were proved up by drilling | 0.8 |
| Cripple Creek and Victor, extension to mine life | 0.9 |
| Boddington, the upgrade of material in the pit shell to Reserve by drilling | 1.0 |
| Mponeng, the inclusion of the Carbon Leader Reef project below 120 level | 3.4 |
| Moab Khotsong, the inclusion of Project Zaaiplaats – a deepening of Moab Khotsong to access deeper Vaal Reef blocks to the South West of the current mine | 3.8 |
| Other | 0.3 |
| **December 2007 Ore Reserves*** | **72.2** |

*(1)*
*Principal reductions and principal additions include a total of 6.8 million ounces of depletion for the year 2007.*
* rounding may result in computational differences
AngloGold Ashanti will continue to pursue a strategy of increasing value-adding reserves through expansion projects, brownfields and greenfields exploration and acquisition of new assets.
The ore reserve estimates in this document include ore reserves below current infrastructure in the case of certain South African and
Ghanaian underground mines which are in production. These ore reserves have been determined based upon

completed economic studies.

**Audit of 2006 and 2007 Ore Reserve statement**

During the course of the year, the AngloGold Ashanti 2006 Ore Reserve statements were submitted to independent consultants for review. The Ore Reserves from eight of AngloGold Ashanti's global operations were selected and subjected to review. These operations were Mponeng, Geita, Obuasi, Morila, Sadiola, Yatela, Cuiaba and Cripple Creek and Victor. The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti's Ore Reserves were evaluated.

During 2007, it was decided by management to audit Ore Reserves prior to publication. As a result the 2007 Ore Reserves for the following operations were audited; Sunrise Dam, Cerro Vanguardia, Great Noligwa, Kopanang and Project Zaaiplaats (Moab deepening project). The company has been informed that these audits identified no material shortcomings in the process by which AngloGold Ashanti's Ore Reserves were evaluated. It is the company's intention to repeat this process so that all its operations will be audited over a three year period.

AngloGold Ashanti's ore reserve statements have been prepared by the competent persons who manage AngloGold Ashanti's ore reserves. See "Item 6.: Directors, senior management and employees".

**Ore Reserves: Imperial**
**At December 31, 2007**
**Proven**
**Ore**
**Reserves**
**(1)**
**Probable**
**Ore**
**Reserves**
**(1)(2)**
**Metallurgical**
**Gold**
**Gold**
**Recovery**
**Tons**
**(5)**
**Grade Content**
**(1)**
**Tons**
**(5)**
**Grade Content**
**(1)**
**Factor**
**(mill)**
**(oz/ton)**
**(mill oz)**
**(mill)**
**(oz/ton)**
**(mill oz)**
**percent**
**South Africa**
***Vaal River***
(6)
Great Noligwa
10.9
0.217
2.4
7.3
0.209
1.5
96.5
Kopanang
5.9
0.243
1.4
15.1
0.193
2.9
97.6
Moab Khotsong

(2)
1.3 0.229
0.3 22.3 0.300
6.7 96.8-97.3
(4)
Tau Lekoa
7.3
0.036
0.3
6.8
0.022
0.1
97.1
***West Wits***
Mponeng
(2)
2.3
0.287
0.7
35.6
0.267
9.5
98.1-98.6
(4)
Savuka
0.1
0.221
0.0
3.5
0.193
0.7
97.4
TauTona
(2)
0.6
0.270
0.2
14.0
0.317
4.4
98.0
***Surface***
Surface sources
-
-
-
130.9
0.015
1.9
44 – 87.9
(4)

**Argentina**
Cerro Vanguardia (92.5 percent)
(3)(7)
1.2 0.177
0.2 8.7
0.192
1.7
95.2
**Australia**
Boddington (33.33 percent)
(3)(8)
62.4
0.026 1.6
176.0
0.022 3.9 81.6
Sunrise Dam
13.2
0.068
0.9
5.7
0.128
0.7
83.5
**Brazil**
Brasil Mineraçáo
(9)
7.3 0.224
1.6 4.7 0.179
0.8
87-92.5
(4)
Serra Grande (50 percent)
(3)
2.5
0.117
0.3
0.7
0.147
0.1
90-97
(4)
**Ghana**
Iduapriem (100 percent)
(3)
40.3
0.043
1.7
14.5
0.048
0.7
94.0-94.4

(4)
Obuasi
(2)
35.5 0.136
4.8 16.6 0.210
3.5
25-81.0
(4)
**Guinea**
Siguiri (85 percent)
(3)
23.5
0.017
0.4
98.7
0.023
2.2
93-97.5
(4)
**Mali**
Morila (40 percent)
(3)
5.8
0.065
0.4
4.4
0.059
0.3
89-91.5
(4)
Sadiola (38 percent)
(3)
2.0
0.080
0.2
2.6
0.091
0.2
78-93
(4)
Yatela (40 percent)
(3)
2.2
0.047
0.1
0.9
0.107
0.1
75
**Namibia**
Navachab

6.4
0.029
0.2
30.1
0.043
1.3
73-93
(4)
**Tanzania**
Geita
6.2
0.030
0.2
68.7
0.092
6.3
43.8-92.8
(4)
**United States of America**
Cripple Creek & Victor
118.9
0.028
3.3
52.5
0.027
1.4
61
**Total** **355.7**
**0.060**
**21.2**
**720.2**
**0.071**
**51.0**
*(1)*
*Ore reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
*(2)*
*Probable ore reserves include reserves below infrastructure. See table below.*
*(3)*
*Ore reserves attributable to AngloGold Ashanti's percentage interest shown.*
*(4)*
*Recovery factor varies according to ore type.*
*(5)*
*Tons refers to a short ton, which is equivalent to 2000lbs avoirdupois.*
*(6)*
*The Vaal Reef Ore Reserves include 42.97 million pounds of Uranium by-products; this can not be accounted for by individual mine as Great*
*Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*
*(7)*
*The Ore Reserve contains 31.0 million ounces of silver to be recovered as a by-product.*
*(8)*

*The Ore Reserve contains 511 million pounds of copper.*
*(9)*
*0.47 million tons of sulphur will be recovered from processing the Ore Reserve*

The 2007 probable ore reserves include reserves below infrastructure in the case of the following underground mines currently in production:

| **Mine** | **Tons (millions)** | **Grade (ounces/ton)** | **Gold Content (million ounces)** |
|---|---|---|---|
| Tau Tona | 5.0 | 0.400 | 2.0 |
| Mponeng | 19.2 | 0.327 | 6.3 |
| Moab Khotsong | 13.6 | 0.262 | 3.6 |
| Obuasi | 4.3 | 0.322 | 1.4 |
| Total | 42.1 | 0.314 | 13.3 |

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**Ore Reserves: Imperial**

**At December 31, 2006**

| | **Proven Ore Reserves (1)** | | | **Probable Ore Reserves (1)** | | | **Metallurgical** |
|---|---|---|---|---|---|---|---|
| | | **Gold** | | | **Gold** | | **Recovery** |
| | **Tons (5)** | **Grade** | **Content (1)** | **Tons (5)** | **Grade** | **Content (1)** | **Factor** |
| | **(mill)** | **(oz/ton)** | **(mill oz)** | **(mill)** | **(oz/ton)** | **(mill oz)** | **percent** |
| **South Africa** | | | | | | | |
| ***Vaal River*** | | | | | | | |
| Great Noligwa | 9.7 | 0.222 | 2.2 | 9.1 | 0.207 | 1.9 | 96.9 |
| Kopanang | 1.6 | 0.259 | 0.4 | 18.2 | 0.242 | 4.4 | 97.8 |
| Moab Khotsong | 0.2 | 0.260 | 0.1 | 9.0 | 0.346 | 3.1 | |

97.6
Tau Lekoa
0.7
0.145
0.1
2.6
0.119
0.3
97.0
***West Wits***
Mponeng
(2)
2.0
0.327
0.6
24.6
0.250
6.1
98.5
Savuka
0.6
0.174
0.1
0.4
0.154
0.1
97.2
TauTona
(2)
0.6
0.332
0.2
14.5
0.329
4.8
98.1
***Surface***
Surface sources
0.0
0.000
0.0
115.5
0.017
1.9
44 – 88
(4)
**Argentina**
Cerro Vanguardia (92.5 percent)
(3)
0.9
0.207 0.2

7.6
0.181 1.4 95.2
**Australia**
Boddington (33.33 percent)
(3)
50.4
0.027
1.4
138.4
0.023
3.2
82.2
Sunrise Dam
10.1
0.070
0.7
8.1
0.147
1.2
83.5-85
(4)
**Brazil**
Brasil Mineraçáo
2.3
0.187
0.4
10.3
0.22
2.3
87-94
(4)
Serra Grande (50 percent)
(3)
1.8
0.133
0.2
1.1
0.173
0.2
91-96
(4)
**Ghana**
Bibiani
(6)
0.0
0.000
0.0
0.0
0.000
0.0
-

Iduapriem (85 percent)
(3)
35.9
0.045
1.6
12.9
0.048
0.6
94.5
Obuasi
20.1
0.094
1.9
69.3
0.098
6.8
80-81.0
(4)
**Guinea**
Siguiri (85 percent)
(3)
20.1
0.017
0.3
58.1
0.025
1.4
93-97.5
**Mali**
Morila (40 percent)
(3)
6.8
0.073
0.5
5.0
0.072
0.4
89-91.5
(4)
Sadiola (38 percent)
(3)
8.2
0.042
0.3
16.3
0.081
1.3
80-94
(4)
Yatela (40 percent)
(3)

2.3
0.027
0.1
1.6
0.135
0.2
85
(4)
**Namibia**
Navachab
5.9
0.032
0.2
11.2
0.048
0.5
92
(4)
**Tanzania**
Geita
4.5
0.028
0.1
82.6
0.101
8.3
66.4-92.8
(4)
**United States of America**
Cripple Creek & Victor
103
0.027
2.8
39.2
0.027
1.0
60
**Total** **287.7**
**0.050**
**14.479**
**655.6**
**0.079**
**51.491**
*(1)*
*Ore reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
*(2)*
*Probable ore reserves include reserves below infrastructure. See table below.*
*(3)*
*Ore reserves attributable to AngloGold Ashanti's percentage interest shown.*
*(4)*

*Recovery factor varies according to ore type.*
*(5)*
*Tons refers to a short ton, which is equivalent to 2000lbs avoirdupois.*
*(6)*
*Bibiani was sold on December 28, 2006.*
*(7)*
*The Vaal Reef Ore Reserves include 26.10 million pounds of Uranium by-products; this can not be accounted for by mine as Great Noligwa,*
*Kopanang and Moab Khotsong feed to a combination of plants.*
*(8)*
*The Ore Reserve contains 24.5 million ounces of silver to be recovered as a by-product.*
*(9)*
*The Ore Reserve contains 418 million pounds of copper.*
*(10)*
*0.55 million tons of sulphur will be recovered from processing the Ore Reserve.*

The 2006 probable ore reserves include reserves below infrastructure in the case of the following underground mines currently in production:

| **Mine** | **Tons (millions)** | **Grade (ounces/ton)** | **Gold Content (million ounces)** |
|---|---|---|---|
| Tau Tona | 5.0 | 0.40 | 2.0 |
| Mponeng | 8.8 | 0.27 | 2.4 |
| Obuasi | 4.4 | 0.27 | 1.2 |
| Total | 18.2 | 0.31 | 5.6 |

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**Ore Reserves: Metric**
**At December 31, 2007**
**Proven**
**Ore**
**Reserves**
**(1)**
**Probable**
**Ore**
**Reserves**
**(1)(2)**
**Metallurgical**
**Gold**
**Gold**
**Recovery**
**Tonnes**
**(6)**
**Grade Content**
**Tonnes**
**Grade**
**Content**
**Factor**
**(mill)**
**(g/t)**
**(tonnes)**
**(mill)**
**(g/t)**
**(tonnes)**
**percent**
**South Africa**
***Vaal River***
*(5)*
Great Noligwa
9.9
7.45
73.9
6.6
7.17
47.5
96.9
Kopanang
5.4
8.35
44.8
13.7
6.60
90.2
97.8
Moab Khotsong
(2)
1.2 7.86 9.1

20.2
10.29
207.7
97.6
Tau Lekoa
6.6
1.24
8.2
6.2
0.75
4.6
97.0
***West Wits***
Mponeng
(2)
2.1
9.85
20.3
32.3
9.15
295.5
98.5
Savuka
0.1
7.57
0.5
3.2
6.62
20.9
97.2
TauTona
(2)
0.6
9.27
5.2
12.7
10.86
138.3
98.1
***Surface***
Surface sources
-
-
-
118.7
0.50
59.9
44-88
(4)
**Argentina**
Cerro Vanguardia (92.5 percent)

(3)(7)
1.0
6.08 6.3
7.9
6.58
52.1 95.2
**Australia**
Boddington (33.33 percent)
(3)(8)
56.6
0.89
50.3
159.6
0.76
122.0
82.2
Sunrise Dam
12.0
2.34
28.2
5.2
4.39
22.7
83.5-85
(4)
**Brazil**
Brasil Mineraçáo
6.6
7.69
51.0
4.3
6.12
26.1
87-94
(4)
Serra Grande (50 percent)
(3)
2.3
4.02
9.2
0.6
5.04
3.0
91-96
(4)
**Ghana**
Iduapriem (100 percent)
(3)
36.6
1.46
53.5

13.2
1.65
21.7
94.5
Obuasi
(2)
32.2 4.67 150.2
15.1
7.21
108.8 80-81.0
(4)
**Guinea**
Siguiri (85 percent)
(3)
21.3
0.59
12.6
89.6
0.77
69.2
93-97.5
**Mali**
Morila (40 percent)
(3)
5.2
2.21
11.6
4.0
2.01
8.0
89-91.5
(4)
Sadiola (38 percent)
(3)
1.8
2.75
4.9
2.3
3.13
7.3
80-94
(4)
Yatela (40 percent)
(3)
2.0
1.60
3.2
0.8
3.68
3.0
85

(4)
**Namibia**
Navachab
5.8
1.00
5.8
27.3
1.46
39.9
92
(4)
**Tanzania**
Geita
5.6
1.01
5.7
62.4
3.14
195.9
66.4-92.8
(4)
**United States of America**
Cripple Creek & Victor
107.9
0.96
103.8
47.6
0.92
44.0
60

| | |
|---|---|
| **Total** | **322.7** |

**2.04**
**658.3**
**653.4**
**2.43**
**1,588.2**

*(1)*
*Ore reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
*(2)*
*Probable ore reserves include reserves below infrastructure. See table below.*
*(3)*
*Ore reserves attributable to AngloGold Ashanti's percentage interest shown.*
*(4)*
*Recovery factor varies according to ore type.*
*(5)*
*The Vaal Reef Ore Reserves include 19.5 thousand tonnes of Uranium by-products; this can not be accounted for by individual mine as Great*
*Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*
*(6)*
*Tonnes refers to a metric tonne which is equivalent to 1000 kilograms.*

*(7)*
*The Ore Reserve contains 963 tonnes of silver to be recovered as a by-product.*
*(8)*
*The Ore Reserve contains 0.23 million tonnes of copper.*
*(9)*
*0.47 million tonnes of sulphur will be recovered from processing the Ore Reserve.*

The 2007 probable ore reserves include reserves below infrastructure in the case of the following underground mines currently in production:

| **Mine** | **Tonnes (millions)** | **Grade (grams/tonne)** | **Gold Content (tonnes)** |
|---|---|---|---|
| TauTona | 4.5 | 13.71 | 62.3 |
| Mponeng | 17.4 | 11.23 | 195.1 |
| Moab Khotsong | 12.4 | 8.98 | 110.9 |
| Obuasi | 3.9 | 11.05 | 42.9 |
| Total | 38.2 | 10.78 | 411.2 |

**Ore Reserves: Metric**
**At December 31, 2006**
**Proven**
**Ore**
**Reserves**
(1)
**Probable**
**Ore**
**Reserves**
(1)
**Metallurgical**
**Gold**
**Gold**
**Recovery**
**Tonnes**
**Grade**
**Content**
**Tonnes**
**Grade**
**Content**
**Factor**
**(mill)**
**(g/t)**
**(tonnes)**
**(mill)**
**(g/t)**
**(tonnes)**
**percent**
**South Africa**
***Vaal River***
Great Noligwa
8.8
7.61
67.0
8.2
7.10
58.5
96.9
Kopanang
1.5
8.87
13.2
16.5
8.31
137.2
97.8
Moab Khotsong
0.2
8.93
1.9

8.2
11.86
96.7
97.6
Tau Lekoa
0.6
4.97
3.1
2.4
4.07
9.7
97.0
***West Wits***
Mponeng
(2)
1.8
11.22 19.9
22.3 8.56
191.0
98.5
Savuka
0.6
5.97
3.3
0.4
5.29
2.1
97.2
TauTona
(2)
0.6
11.4
6.7
13.2
11.27
148.4
98.1
***Surface***
Surface sources
0.0
0.00
0.0
104.8
0.57
59.5
44-88
(4)
**Argentina**
Cerro Vanguardia (92.5 percent)
(3)
0.9 7.09 6.1 6.9 6.22

42.7
95.2
**Australia**
Boddington (33.33 percent)
(3)
45.8
0.94 42.8
125.6 0.78
98.5
82.2
Sunrise Dam
9.1
2.39
21.8
7.6
4.87
36.9
83.5-85
**Brazil**
Brasil Mineraçáo
2.1
6.42
13.2
9.3
7.56
70.4
87-94
(4)
Serra Grande (50 percent)
(3)
1.6
4.57
7.5
1
5.92
5.9
91-96
(4)
**Ghana**
Bibiani
(5)
0.0
0.00
0.0
0.0
0.00
0.0
-
Iduapriem (85 percent)
(3)
32.5

1.53 49.7
11.7 1.63
19.0
94.5
Obuasi
18.2
3.21
58.5
62.9
3.38
212.3
80-81.0
(4)
**Guinea**
Siguiri (85 percent)
(3)
18.2
0.60 10.8
52.7 0.85
45.0 93-97.5
**Mali**
Morila (40 percent)
(3)
6.1
2.50 15.3 4.5 2.47
11.2 89-91.5
(4)
Sadiola (38 percent)
(3)
7.5
1.45 10.8
14.8 2.79
41.3 80-94
(4)
Yatela (40 percent)
(3)
2.1
0.94
1.9
1.4
4.63
6.6
85
(4)
**Namibia**
Navachab
5.3
1.08
5.8
10.1
1.63

16.5
92
(4)
**Tanzania**
Geita
4.0
0.97
3.9
74.9
3.47
259.6
66.4-92.8
(4)
**United States of America**
Cripple Creek & Victor
93.4
0.93
87
35.6
0.91
32.5
60
**Total** **260.9**
**1.73**
**450.2**
**594.7**
**2.69**
**1,601.5**
*(1)*
*Ore reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
*(2)*
*Probable ore reserves include reserves below infrastructure. See table below.*
*(3)*
*Ore reserves attributable to AngloGold Ashanti's percentage interest shown.*
*(4)*
*Recovery factor varies according to ore type.*
*(5)*
*Bibiani Mine was sold on December 28, 2006.*
*(6)*
*The Vaal Reef Ore Reserves include 11.8 thousand tons of Uranium by-products; this can not be accounted for by mine as Great Noligwa,*
*Kopanang and Moab Khotsong feed to a combination of plants.*
*(8)*
*The Ore Reserve contains 0.76 million tons of silver to be recovered as a by-product.*
*(9)*
*The Ore Reserve contains 0.19 million tons of copper.*
*(10)*
*0.50 million tons of sulphur will be recovered from processing the Ore Reserve.*

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The 2006 probable ore reserves include reserves below infrastructure in the case of the following underground mines currently
in production:

| **Mine** | **Tonnes (millions)** | **Grade (grams/tonne)** | **Gold Content (tonnes)** |
|---|---|---|---|
| TauTona | 4.5 | 13.71 | 62.3 |
| Mponeng | 7.9 | 9.26 | 73.6 |
| Obuasi | 4.0 | 9.43 | 37.6 |
| Total | 16.4 | 32.4 | 173.5 |

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**Stockpiles: Imperial**

Stockpiles are previously mined ore scheduled for future process plant feed. The proven and probable ore reserves include the following stockpile material:

| **Stockpiles** **At December 31, 2007** | **Tons (million)** | **Grade (ounces/ton)** | **Gold content (million ounces)** |
|---|---|---|---|
| **South Africa** | | | |
| ***Vaal River*** | | | |
| Great Noligwa | - | - | - |
| Kopanang | - | - | - |
| Moab Khotsong | - | - | - |
| Tau Lekoa | - | - | - |
| ***West Wits*** | | | |
| Mponeng | - | - | - |
| Savuka | - | - | - |
| TauTona | - | - | - |
| ***Surface*** | | | |
| Vaal River Surface – SA MET (2) | 130.861 | 0.015 | 1.924 |
| West Wits Surface - SA MET (2) | - | - | |

-
**Argentina**
Cerro Vanguardia (92.5 percent)
(1)
0.050
0.126 0.006
**Australia**
Boddington (33.33 percent)
(1)
0.161
0.024 0.004
Sunrise Dam
10.726
0.060 0.643
**Brazil**
Brasil Mineraçáo
-
-
-
Serra Grande (50 percent)
(1)
-
-
-
**Ghana**
Iduapriem (100 percent)
(1)
2.096
0.038 0.079
Obuasi
(3)
9.901
0.050 0.492
**Guinea**
Siguiri (85 percent)
(1)(4)
58.724
0.016 0.961
**Mali**
Morila
(3)
(40 percent)
(1)
7.685
0.051 0.391
Sadiola (38 percent)
(1)(5)
1.895
0.078 0.148
Yatela (40 percent)
(1)

| | |
|---|---|
| 1.844 | |
| 0.031 | 0.057 |
| **Namibia** | |
| Navachab | |
| 4.977 | |
| 0.020 | 0.102 |
| **Tanzania** | |
| Geita | |
| 6.196 | |
| 0.032 | 0.183 |
| **United States of America** | |
| Cripple Creek & Victor | |
| - | |
| - | |
| - | |

*Note: The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.*

*(1)*

*Ore Reserves attributable to AngloGold Ashanti's percentage interest shown.*

*(2)*

*Centralized operations treating material on surface that was previously generated by several underground operations.*

*(3)*

*Pompora TSF removed due to economic changes.*

*(4)*

*Spent heap included in Ore Reserve.*

*(5)*

*Sulphide stockpiles removed.*

**Stockpiles: Imperial**

Stockpiles are previously mined ore scheduled for future process plant feed. The proven and probable ore reserves include the following stockpile material:

| **Stockpiles (1) At December 31, 2006** | **Tons (million)** | **Grade (ounces/ton)** | **Gold content (million ounces)** |
|---|---|---|---|
| **South Africa** | | | |
| ***Vaal River*** | | | |
| Great Noligwa | – | – | – |
| Kopanang | – | – | – |
| Moab Khotsong | – | – | – |
| Tau Lekoa | – | – | – |
| ***West Wits*** | | | |
| Mponeng | – | – | – |
| Savuka | – | – | – |
| TauTona | – | – | – |
| ***Surface*** | | | |
| Surface sources (2) | 115.481 | 0.02 | 1.912 |
| **Argentina** | | | |
| Cerro Vanguardia (92.5 percent) | 0.020 | 0.58 | 0.012 |
| **Australia** | | | |
| Boddington (33.33 percent) | 0.165 | 0.02 | 0.004 |
| Sunrise Dam | 7.455 | | |

0.05 0.399

**Brazil**

Brasil Mineraçáo

0.051

0.23 0.012

Serra Grande (50 percent)

0.073

0.23 0.017

**Ghana**

Iduapriem (85 percent)

1.373

0.04 0.049

Obuasi

(3)

51.647

0.04 2.133

**Guinea**

Siguiri (85 percent)

20.052

0.02 0.348

**Mali**

Morila (40 percent)

(3)

6.561

0.05 0.347

Sadiola (38 percent)

8.057

0.04 0.327

Yatela (40 percent)

2.278

0.03 0.062

**Namibia**

Navachab

4.600

0.02 0.102

**Tanzania**

Geita

4.457

0.03 0.126

**United States of America**

Cripple Creek & Victor

–

– –

*Note: The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.*

*(1)*

*Attributable to AngloGold Ashanti.*

*(2)*

*Centralized operations treating material on surface that was previously generated by several underground operations.*

*(3)*

*Includes Tailing Storage Facilities.*

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**Stockpiles: Metric**

Stockpiles are previously mined ore scheduled for future process plant feed. The proven and probable ore reserves include the following stockpile material:

| **Stockpiles** | | | |
|---|---|---|---|
| **At December 31, 2007** | **Tonnes (million)** | **Grade (grams/tonne)** | **Gold content (tonnes)** |
| **South Africa** | | | |
| ***Vaal River*** | | | |
| Great Noligwa | - | - | - |
| Kopanang | - | - | - |
| Moab Khotsong | - | - | - |
| Tau Lekoa | - | - | - |
| ***West Wits*** | | | |
| Mponeng | - | - | - |
| Savuka | - | - | - |
| TauTona | - | - | - |
| ***Surface*** | | | |
| Vaal River Surface - SA MET (2) | 118.715 | 0.50 | 59.858 |
| West Wits Surface - SA MET (2) | 0.000 | - | 0.000 |

**Argentina**
Cerro Vanguardia (92.5 percent)
(1)
0.046
4.32 0.197
**Australia**
Boddington (33.33 percent)
(1)
0.146
0.81 0.118
Sunrise Dam
9.730
2.05 19.996
**Brazil**
Brasil Mineraçáo
-
-
-
Serra Grande (50 percent)
(1)
-
-
-
**Ghana**
Iduapriem (100 percent)
(1)
1.902
1.30 2.469
Obuasi
(3)
8.982
1.70 15.290
**Guinea**
Siguiri (85 percent)
*(4)(1)*
53.274
0.56 29.878
**Mali**
Morila (40 percent)
(3) (1)
6.971
1.74 12.158
Sadiola (38 percent)
*(5) (1)*
1.719
2.67 4.598
Yatela (40 percent)
(1)
1.673
1.05 1.762

| | | |
|---|---|---|
| **Namibia** | | |
| Navachab | | |
| 4.515 | | |
| 0.70 | 3.160 | |
| **Tanzania** | | |
| Geita | | |
| 5.621 | | |
| 1.01 | 5.701 | |
| **United States of America** | | |
| Cripple Creek & Victor | | |
| - | | |
| - | | |
| - | | |

*(1)*
*Ore Reserves attributable to AngloGold Ashanti's percentage interest shown.*
*(2)*
*Centralized operations treating material on surface that was previously generated by several underground operations*
*(3)*
*Pompora TSF removed due to economic changes.*
*(4)*
*Spent heap included in Ore Reserve.*
*(5)*
*Sulphide stockpiles removed.*

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**Stockpiles: Metric**

Stockpiles are previously mined ore scheduled for future process plant feed. The proven and probable ore reserves include the following stockpile material:

| **Stockpiles (1)** At December 31, 2006 | **Tonnes (million)** | **Grade (grams/tonne)** | **Gold content (tonnes)** |
|---|---|---|---|
| **South Africa** | | | |
| ***Vaal River*** | | | |
| Great Noligwa | – | – | – |
| Kopanang | – | – | – |
| Moab Khotsong | – | – | – |
| Tau Lekoa | – | – | – |
| ***West Wits*** | | | |
| Mponeng | – | – | – |
| Savuka | – | – | – |
| TauTona | – | – | – |
| ***Surface*** | | | |
| Surface sources (2) | 104.763 | 0.57 | 59.475 |
| **Argentina** | | | |
| Cerro Vanguardia (92.5 percent) | 0.018 | 20.00 | 0.369 |
| **Australia** | | | |
| Boddington (33.33 percent) | 0.150 | 0.80 | 0.120 |
| Sunrise Dam | 6.763 | | |

1.82 12.325

**Brazil**

Brasil Mineraçáo

0.046

7.95 0.368

Serra Grande (50 percent)

0.066

7.87 0.522

**Ghana**

Iduapriem (85 percent)

1.246

1.23 1.531

Obuasi

(3)

46.853

1.42 66.353

**Guinea**

Siguiri (85 percent)

18.191

0.60 10.828

**Mali**

Morila

(3)

(40 percent)

5.951

1.82 10.815

Sadiola (38 percent)

7.309

1.39 10.160

Yatela (40 percent)

2.066

0.94 1.940

**Namibia**

Navachab

4.173

0.76 3.181

**Tanzania**

Geita

4.044

0.97 3.924

**United States of America**

Cripple Creek & Victor

–

– –

*(1)*

*Attributable to AngloGold Ashanti.*

*(2)*

*Centralized operations treating material on surface that was previously generated by several underground operations.*

*(3)*

*Includes Tailing Storage Facilities.*

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**Drill hole spacing: Imperial**
In determining the proven and probable ore reserves, AngloGold Ashanti applied the following drill hole spacings:
**Drill Hole Spacings**
**Proven Ore Reserves**
**Probable Ore Reserves**
**South Africa**
Underground sources Ore body opened up, developed and sampled on a
7 to 10 foot spacing on raise lines and on a 16 x 16
grid thereafter
From a 131 x 131 foot spacing up to 3281 x 3281
foot spacing
Surface sources
Variable sampling strategies: Belt samplers, cross
stream residue samplers and bulk sampling
campaigns
Variable sampling strategies: Belt samplers,
cross stream residue samplers
**Argentina**
Cerro Vanguardia
39 x 39 feet
131 x 131 feet
**Australia**
Boddington
The average weighted distance to samples must be
less than 131 feet of block centroid and more than
25 samples must have been used in the estimation
The average weighted distance to samples must
be less than 197 feet of block centroid and more
than 15 samples must have been used in the
estimation
Sunrise Dam
33 x 33 feet, 82 x 82 feet
66 x 66 feet, 131 x 131 feet, 164 x 164 feet
**Brazil**
Brasil Mineraçáo
66 x 66 feet, 82 x 82 feet. Drilling pattern of 197 x
66 feet for Cuiaba Expansion Project.
66 x 66 feet, 164 x 164 feet.
Serra Grande
(50 percent)
33 x 33 feet, 66 x 33 feet
33 x 66 feet, 66 x 164 feet
**Ghana**
Iduapriem
164 x 164 feet, 328 x 164 feet
246 x 164 feet, 328 x 246 feet
Obuasi - Surface
66 x 66 feet
98 x 98 feet
Obuasi - Underground 66 x 66 feet

197 x 197 feet
**Guinea**
Siguiri
16 x 33 feet
66 x 131 feet, 82 x 82 feet
**Mali**
Morila
33 x 33 feet
98 x 98 feet
Sadiola
66 x 66 feet, 82 x 82 feet
82 x 82 feet, 115 x 115 feet
Yatela
33 x 33 feet, 82 x 82 feet
115 x 148 feet
**Namibia**
Navachab
33 x 33 feet
82 x 82 feet
**Tanzania**
Geita
16 x 33 feet, 33 x 33 feet
131 x 131 feet
**USA**
Cripple Creek & Victor <98 x 98 feet
>98 x 98 feet

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**Drill hole spacing: Metric**

In determining the proven and probable ore reserves, AngloGold Ashanti applied the following drill hole spacings:

**Drill Hole Spacings**
**Proven Ore Reserves**
**Probable Ore Reserves**
**South Africa**

Underground sources Ore body opened up, developed and sampled on a 2 to 3 meter spacing on raise lines and on a 5 x 5 grid thereafter

From a 40 x 40 meter spacing up to 1000 x 1000 meter spacing

Surface sources

Variable sampling strategies: Belt samplers, cross stream residue samplers and bulk sampling campaigns

Variable sampling strategies: Belt samplers, cross stream residue samplers

**Argentina**

Cerro Vanguardia

12 x 12 meter

40 x 40 meter

**Australia**

Boddington

The average weighted distance to samples must be less than 40 meter of block centroid and more than 25 samples must have been used in the estimation

The average weighted distance to samples must be less than 60 meter of block centroid and more than 15 samples must have been used in the estimation

Sunrise Dam

10 x 10 meter, 25 x 25 meter

20 x 20 meter, 40 x 40 meter, 50 x 50 meter

**Brazil**

Brasil Mineraçáo

20 x 20 meter, 25 x 25 meter. Drilling pattern of 60 x 20 for Cuiaba Expansion Project.

20 x 20 meter, 50 x 50 meter.

Serra Grande
(50 percent)

10 x 10 meter, 20 x 10 meter

10 x 20 meter, 20 x 50 meter

**Ghana**

Iduapriem

50 x 50 meter, 100 x 50 meter

75 x 50 meter, 100 x 75 meter

Obuasi – Surface

20 x 20 meter

30 x 30 meter

Obuasi - Underground 20 x 20 meter

60 x 60 meter
**Guinea**
Siguiri
5 x 10 meter
20 x 40 meter, 25 x 25 meter
**Mali**
Morila
10 x 10 meter
30 x 30 meter
Sadiola
20 x 20 meter, 25 x 25 meter
25 x 25 and 35 x 35 meter
Yatela
10 x 10 meter, 25 x 25 meter
35 x 45 meter
**Namibia**
Navachab
10 x 10 meter
25 x 25 meter
**Tanzania**
Geita
5 x 10 meter, 10 x 10 meter
40 x 40 meter
**USA**
Cripple Creek & Victor <30 x 30 meter
>30 x 30 meter

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**RESEARCH AND DEVELOPMENT**

AngloGold Ashanti's research and development program includes a range of initiatives in geology, mining, processing, engineering, safety, environment, marketing and knowledge management.

Research and development expenditure amounted to $10 million, $4 million and $8 million during 2007, 2006 and 2005, respectively.

A combination of collaborative and in-house research is adopted. Collaborative partners include research organizations, universities, mining companies, mining service providers and contractors.

In addition, AngloGold Ashanti's wholly owned subsidiary, ISS International Ltd (ISSI), is a global company specializing in seismic monitoring of mines, engineering structures and earthquakes. The company initiates and undertakes both broad-based and focused research and development to enhance the safety of those working in mining by developing effective monitoring and warning technology systems. ISSI functions on the international stage and its involvement in seismic matters extends well beyond the mining environment.

AngloGold Ashanti is a signatory of the International Cyanide Management Institute (ICMI) and is committed to reaching compliance with the International Cyanide Management Code. All processing operations group-wide have been audited in-house. Following external audits during 2007, seven operations were certified by the ICMI to fully comply with the provisions of the International Cyanide Management Code.

Extensive cyanide speciation studies have been conducted in collaboration with Mintek in Johannesburg at the various plants in the South Africa region to determine, on both a macro and a micro-scale, the environmental impacts of cyanide in residue material. Continuing projects cover cyanide measurement and control, cyanide recovery and cyanide destruction.

A project evaluating the impacts of hypersaline water and cyanide on wildlife and the environment is under way in Australia in collaboration with ACMER. The results of this project have enabled Sunrise Dam to meet the stringent requirements of the International Cyanide Management Code regarding the management of cyanide in tailings.

The AuTEK project to develop new industrial uses for gold is based at Mintek. AngloGold Ashanti continues to support the catalysis initiative within the program. This involves gold catalyst development for carbon monoxide oxidation, for use in fuel cells and in photocatalysis. A pilot plant for the production of gold catalyst is under construction. Close working relationships have been established with potential end users. Promising applications include gas masks, catalytic converters for diesel engines and catalysis of a variety of industrial chemical reactions.

Processing initiatives include:

- Thiosulphate leaching of gold as a development of a non-cyanide gold extraction process;
- Use of digital camera technology to measure mill feed size, using this information to improve mill process control;
- Establishing uranium leaching conditions for maximum extraction of uranium from the Vaal River operations;
- Amira P9N comminution technology project on milling efficiency, steel ball and liner wear;

- Amira P420 gold processing project looking at refractory ore treatment, thiosulphate leaching, cyanide and the environment;
- Amira P266 thickening project, improving thickener performance using discrete element analysis and modeling;
- Evaluation of optical sorting as a method for upgrading ore streams or waste rock dumps; and
- Thickened tailings beach slope angle modeling to improve tailings facility operation.

Other initiatives include:

- Monitoring real-time corrosion rates in uranium plant elution columns;
- Void-filling using aerated cement walls for improved management of heat, radiation and ventilation; and
- Automated in-stope water-blast to reduce silica dust exposure in stopes.

**COMPETITION**

As gold mining is a mature and regulated industry, and very significant volumes of gold and gold derivatives trade in the world
markets independent of gold mine supply, AngloGold Ashanti does not consider that competition for sales plays any role in its
operations as a gold producer. However, gold producers do compete against each other for acquisition exploration opportunities and human resources.

**INTELLECTUAL PROPERTY**

AngloGold Ashanti, as a group, is not dependent on intellectual property for the conduct of its business as a whole.

**SUSTAINABLE DEVELOPMENT: SAFETY, HEALTH, ENVIRONMENTAL AND SOCIAL DEVELOPMENT**

AngloGold Ashanti published its Report to Society 2007 on March 31, 2008. A copy has been furnished to the SEC under
Form 6-K. This report covers issues pertaining to social development in line with AngloGold Ashanti's values and business
principles and the Global Reporting Initiative Guidelines prepared on a country and operational basis. The information below is
extracted from the Report to Society 2007.

*Occupational safety and health*

Core business principle

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

Performance

The group's safety performance was disappointing in 2007. While the fatal (FIFR) was 4.5 percent lower year-on-year at
0.21 per million hours worked, the frequency rate (LTIFR) rose by 7 percent in 2007, to 8.24 per million hours worked.

An intensive review of the group's safety strategy, particularly in South Africa, during the year and the 'Safety is our first value'
campaign was launched. Details of individual operational performance are reported in Item 4B.: "Business overview".

On the occupational health front, noise-induced hearing loss (NIHL), occupational lung diseases (OLD) (including silicosis) and
in South Africa, pulmonary tuberculosis (TB) remain the most critical. Medical surveillance programs are in place at most of the
group's operations with plans afoot to intensify efforts at a number of the African operations. No new occupational disease
cases were reported in Brazil, Argentina, the US or Australia.

NIHL occurs over a period of time following consistent exposure to high levels of noise. Hearing conservation programs
comprise three features: engineering control to reduce noise at source, the use of hearing protection devices and medial
surveillance. In South Africa, 78 employees were compensated for NIHL in 2007 (2006: 67 employees).

Exposure to silica dust is the major contributing factor in the development of OLD and efforts to reduce dust levels, improved
dust monitoring and medical surveillance remain important in the program to eliminate silicosis. During 2007, 207 cases of
OLD were compensated in South Africa. Also in 2007, 462 new cases of silicosis were recorded in South Africa and submitted
for compensation (2006: 367 new cases).

Some success has been achieved in reducing and managing TB in South Africa, where rigorous World Health Organization-
based TB control programs are in place. For the third consecutive year, TB statistics in South Africa declined, with
927 employees diagnosed with the disease. There is a strong relationship between TB and HIV/AIDS.

*Human capital*

Employees: core business principle

The company provides its employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability and embraces cultural diversity.

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Performance
Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched
within South African labor legislation and the South African constitution as well as in the laws and regulations of many of the
countries in which the company operates. AngloGold Ashanti is committed to upholding the fundamental rights conventions of
the International Labor Organization (ILO) and no breaches of these conventions were alleged or reported during the year. As
the company is a signatory to the Voluntary Principles on Security and Human Rights, human rights training, particularly for
security personnel, is being undertaken.
A new global organizational development strategy is being implemented within the group. The strategy recognizes the role of
the individual as being a member of a family and a community and as an employee, and acknowledges the role of the company
in supporting that and assisting the employee to reach his or her full potential. A key goal of this strategy is the promotion of
diversity and localization at all levels and all operations, enabling employees to take advantage of the extensive opportunities
the group can offer.
The group's Employee Share Ownership Plan (ESOP) in South Africa has been fully implemented with more than
30,000 individuals now having an equity stake in the company. Discussions with the Ghana Mineworkers' Union in respect of
implementing a similar program in that country are ongoing.
For a number of reasons, including legislation and customs, mining has not been a career easily accessible to women,
AngloGold Ashanti has put plans in place to ensure retention, development and promotion of women. Key statistics related to
women at the end of 2007 are as follows: women at board level – 8.0 percent, permanent employees* who are women – 8.6 percent
* In South Africa, 9.1 percent of permanent employees are women.
Education and training initiatives to alleviate the skills shortage and develop employees to their full potential continued during
the year and included Adult Basic Education and Training (ABET), bursary schemes and learnerships, support for tertiary
education, management development programs and executive development programs.
*Community*
Core business principle
AngloGold Ashanti strives to form partnerships with host communities, sharing their environments, traditions and values and
wants communities to be better off for AngloGold Ashanti having been there. The company is committed to working in an
environmentally friendly way.
Performance
The group's relationships with communities are guided by operation- or region-specific community policies, and are
complemented by a company-wide management system which is currently being fully implemented. Several modules in the
community and social development systems, focusing largely on issues such as resettlement and compensation, human rights
and security, and the preservation of cultural and sacred sites, were developed during the year, with further

implementation
planned for 2008.

The phenomenon of artisanal and small-scale mining, encountered particularly at the group's operations and explorations prospects at Geita (Tanzania), Obuasi (Ghana), Siguiri (Guinea) and in the DRC, has on occasion given rise to conflict. During the year we continued to participate in the global debate on the matter and on the ground, in consultation with communities and other parties, we continue to explore sustainable opportunities for alternative livelihoods for small-scale miners. The group is developing a strategy that promotes cohabitation and mutual respect for each others' rights, within the legal and regulatory framework within a country.

In terms of corporate social investment, AngloGold Ashanti contributed $7.7 million to corporate social investment (using a strict definition of the term that excludes sponsorships or the infrastructural developments attached to mining operations).

Group operations are required to play a meaningful role in the development of local economic activity in the interest of contributing towards the sustainability of host communities.

*Regional health*
Core business principle
AngloGold Ashanti is committed to prompt and supportive action in response to any major health threats in the regions in which
it operates.
Performance
The primary regional health threats identified are HIV/AIDS in southern Africa, and malaria in west and east Africa.
In 2007, AngloGold Ashanti was recognized by a number of independent entities, non-government organizations and conferences for its work in delivering sustainable healthcare solutions in the communities in which it operates. In June 2007,
the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) identified the AngloGold Ashanti Obuasi Malaria
Control Program as a global example of excellence in the private sector's response to these three pandemics. AngloGold
Ashanti also won three awards in the second annual ABSA Healthcare Initiative Awards held in August 2007, a part of the Pan
African Health Congress, for its integrated HIV/AIDS and tuberculosis control programs in South Africa, and for the malaria
control programs at its operations in east and west Africa, winning in the category of Listed Company/Multinational Organisation/Hospital Group, as well as the Most Sustainable Project award and the award for Project with the Biggest Impact.
The estimated HIV/AIDS prevalence levels at the group's African operations are in line with similar demographically segmented
portions in the general population. It is estimated that the HIV/AIDS prevalence levels among employees at the South African
operations in 2007 remained stable at approximately 30 percent of the workforce.
Key objectives of the group HIV/AIDS program are to minimize the risk of HIV/AIDS on the company and its employees by
reducing and ultimately eliminating new infections, efficiently managing those infected and supporting those with advanced
AIDS. The program focuses on:

- Prevention of HIV, by means of various workplace initiatives, including voluntary counseling and testing (VCT). Assuming single testing, approximately 102 percent of the South African workforce were tested in 2007 (2006: 75 percent).
- Treatment programs, which involve the clinical care of those infected by the virus, including the use of antiretroviral therapy (ART). ART is available to all employees at all our operations in Africa, either directly from company facilities, through company-sponsored or -funded facilities, or from state facilities.
- Support for the AIDS-ill requiring separation from the company and palliative care, including support for various community initiatives.

Total expenditure on the company's HIV/AIDS program in South Africa amounted to approximately R25.2 million ($3.6 million)
in 2007 (2006: R21.5 million; $3.2 million).
Malaria remains an area of concern for AngloGold Ashanti's operations in Ghana, Guinea, Mali and Tanzania. Not only does
the disease result in death, illness and absenteeism among employees, but it is a major cause of death in young children and
pregnant women, with an obvious effect on employees' families and communities.

An extensive malaria program is in place at Obuasi and the lessons learnt here are being applied elsewhere. A revised integrated malaria control program began at Geita in Tanzania in September 2007, with indoor residual spraying of the Mchaura staff village and all mine vehicles. Work began during the year on the development of an integrated campaign at Siguiri in Guinea, modeled on the program at Obuasi.

The incidence of malaria has continued to decline at Obuasi following the third year of the integrated malaria control campaign, from 164 per 1,000 employees in 2006 to 61 in 2007.

By virtue of its South African domicile, AngloGold Ashanti is subject to certain conventions signed by the South African government, including the human rights and social conventions of the ILO (ILO 29, 87, 98, 100, 105, 111, 128 and 138). South Africa’s Constitution, together with its associated laws, guarantees non-discrimination on the basis of race and other unfair grounds, freedom of association and the rights of children, among other basic human rights.

Certain ILO conventions (such as ILO Convention 128, dealing with child labor, and ILO Convention No 29, dealing with forced
and compulsory labor) are also governed by law in South Africa, Argentina, Brazil, Australia, Namibia, Tanzania and the United
States, and by law and various codes such as the Labour Code and Collective Agreement in Mali.
A wide range of agreements and policies are also in place at an operational level to ensure that human rights are protected.
These include recognition and collective bargaining agreements, disciplinary, grievance and appeal procedures and non-
discrimination agreements. No breaches of fundamental rights conventions of the ILO were alleged or charges brought against
the company in connection with these during 2007.

**Employment equity**

Racial and sexual harassment and other forms of discrimination are prohibited by the company's business principles as well as
by legislation in most of the countries where the operations are situated.
In South Africa the employment of historically disadvantaged South Africans (HDSAs) remains a particular priority. Employment
targets and achievements are reported annually to the South African Department of Labor, and reporting will also be provided
in terms of the South African Mining Charter from 2007.
Where possible, it is standard practice for AngloGold Ashanti to employ indigenous people.

**Training**

AngloGold Ashanti's training philosophy encompasses a wide range of training initiatives. In 2007, the company spent
$31.4 million on employee training and development, of which $24.8 million was spent in the South Africa operations. In 2006,
the employee training and development costs for South African-based operations amounted to $21.2 million. It is the
company's policy to provide Adult Basic Education and Training (ABET) to ensure that all employees are able to become
literate and numerate.

**Environment**

**Core business principle**

AngloGold Ashanti strives to form partnerships with host communities, sharing their environments, traditions and values and
want communities to be better off for AngloGold Ashanti having been there.

**Performance**

As a member of the International Council on Mining and Metals, AngloGold Ashanti subscribes to the sustainable development
framework and its principles for sustainable development, and is committed to publicly reporting. During the year, the group
produced a set of five environmental guidelines to be used in conjunction with the group's environmental policy. These
guidelines cover the management of water, air quality, waste material, chemicals and land. A number of other guidelines are
currently under consideration and will be produced as and when required.
All AngloGold Ashanti operations have had their environmental management systems certified in conformance with the
ISO 14001 standard, and all the requisite permits for their current operations are in place. AngloGold Ashanti Health (Pty) Ltd,
a subsidiary of the company that provides healthcare services to employees in South Africa, was also recommended for

certification.
In line with increasingly stringent governance and risk management requirements at a company level, AngloGold Ashanti initiated a corporate environmental review program during the year. The program reviewed whether all significant environmental aspects had been identified and whether appropriate monitoring systems had been established to manage these aspects, including suitable monitoring systems.
Closure plans, which are reviewed and updated annually, are in place at all operations. These take into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in good practice. In addition, an assessment of closure liabilities is undertaken and reviewed on an annual basis and, increasingly reviewed and assured by independent third parties.

A key performance objective for 2007 was the implementation of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold (the Cyanide Code). The code is a voluntary industry initiative developed under the auspices of the United Nations Environment Program to promote responsible management of cyanide used in gold mining, to enhance the protection of human health, and reduce the potential for environmental impacts.
AngloGold Ashanti was one of the first signatories to the code in November 2005 and, in line with this, committed to having all of its operations audited by an independent third party to demonstrate its compliance with the code.
In addition to participating in the global debate on climate change and its potential impacts, AngloGold Ashanti has considered its position, evaluating both risks and opportunities in respect of climate change, and embarking on a process of establishing its carbon footprint and its greenhouse gas emissions. In 2007, AngloGold Ashanti participated in the global Carbon Disclosure Project's, survey of the top 40 companies listed on the JSE. CDP is a global institutional investor collaboration intent on understanding and quantifying climate change implications for business. AngloGold Ashanti's response may be found at www.cdproject.net.

**4C. Organizational structure**

**Head office structure and operations**

AngloGold Ashanti's operations are organized on a country basis. Management of AngloGold Ashanti is entrusted to the executive committee, comprising the two executive directors, 8 executive vice presidents and two vice presidents. See "Item 6.: Directors, senior management and employees". Day-to-day management of the operations vests with executive teams based in South Africa (Johannesburg and Potchefstroom), Ghana (Accra), United States (Denver), Brazil (Nova Lima), and Australia (Perth).

**Corporate activities**

Activities provided in the corporate area fall into three categories. First, support is provided to the executive committee in managing AngloGold Ashanti as a whole. Second, certain activities are managed centrally, including strategic and business planning, marketing, corporate finance, treasury, exploration, technology and innovation, corporate secretarial and corporate affairs. Third, certain specialized services are directed from the center although they are managed by operations. These include mining, engineering, metallurgy, mineral resource management, safety and health, the environment and human resources.
AngloGold Ashanti has investments in numerous principal subsidiaries and joint venture interests, see "Item 19.: Exhibits Exhibit 19.8 List of AngloGold Ashanti Limited subsidiaries" for details.

**4D.**

**Property, plants and equipment**

For a discussion on AngloGold Ashanti's mining properties, plant and equipment, see "Item 4B.: Business Overview".

**Item 4A: Unresolved staff comments**

Not applicable.

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**Item 5: Operating and financial review and prospects**

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of AngloGold Ashanti Limited and are based on the US GAAP financial statements.

This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the three years ended and as at December 31, 2007, 2006 and 2005. It consists of the following subsections:

- "Overview," which provides a brief summary of our operations;
- "Operating results," which includes a discussion of our consolidated financial results for the last three years and those factors influencing the results;
- "Liquidity and Capital Resources," an analysis of cash flows, sources and uses of cash, our financial position, capital commitments and contingencies, financial instruments, recent accounting pronouncements and critical accounting policies;
- "Trend information," a discussion of current and expected future production and the costs thereof;
- "Off-balance sheet arrangements," a discussion of significant off-balance sheet arrangements; and
- "Contractual obligations," a disclosure of known contractual obligations.

This item should be read in conjunction with the Company's consolidated financial statements and the notes thereto which are included under Item 18 of this annual report.

**Overview**

For the year ended December 31, 2007, AngloGold Ashanti had an attributable production of approximately 5.5 million ounces (including joint ventures) of gold. Headquartered in Johannesburg, South Africa, the Company has a global presence with 20 operations comprising open-pit and underground mines and surface metallurgical plants in ten countries which are supported by extensive, yet focused, exploration activities. As at December 31, 2007, the Company had Proven and Probable Ore Reserves of approximately 72.2 million ounces (including joint ventures) on an attributable basis.

AngloGold Ashanti's main product is gold. A portion of its revenue is derived from sales of silver, uranium oxide and sulphuric acid. The Company sells its products on world markets.

AngloGold Ashanti's world-wide operations, divided into countries are: South Africa (which comprises seven operations), Argentina (which encompasses one operation), Australia (which encompasses one operation), Brazil (which encompasses two operations), Ghana (which encompasses two operations), Guinea (which encompasses one operation), Mali (which encompasses three operations), Namibia (which encompasses one operation), Tanzania (which encompasses one operation) and the United States of America (which encompasses one operation). For more information on the Company's business and operations, see "Item 4B.: Business overview — Products, operations and geographical locations".

## 5A. Operating results

### Introduction

AngloGold Ashanti's operating results are directly related to the price of gold which can fluctuate widely and is affected by numerous factors beyond its control, including industrial and jewellery demand, expectations with respect to the rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales by central banks and the International Monetary Fund (IMF), forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions. In addition, the price of gold sometimes is subject to rapid short-term changes because of speculative activities.

The current demand for and supply of gold may affect gold prices, but not necessarily in the same manner as current supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals.

As the amounts produced in any single year constitute a very small portion of the total potential supply of gold, normal variations in current production do not necessarily have a significant impact on the supply of gold or on its price. If revenue from gold sales falls for a substantial period below the Company's cost of production at its operations, AngloGold Ashanti could determine that it is not economically feasible to continue commercial production at any or all of its operations or to continue the development of some or all of its projects.

On May 15, 2008, the afternoon fixing price for gold on the London Bullion Market was $866.25 per ounce.

AngloGold Ashanti's costs and expenses consist primarily of production costs, royalties and depreciation, depletion and amortization. Production costs are incurred on labor, fuel, lubricants, power, consumable stores which include explosives, timber, other consumables and utilities incurred in the production of gold. Labor is a significant component of production costs as the Company's mining operations consist mainly of deep-level underground mining methods as well as open-pit operations, both of which are labor intensive.

With operations in ten countries on four continents, AngloGold Ashanti is exposed to a number of factors that could affect its profitability, including exchange rate fluctuations, inflation and other risks relating to these specific countries. These factors are inherent in conducting mining operations on a global basis, and the Company applies measures wherever appropriate and feasible, such as hedging instruments, intended to reduce its exposure to these factors.

In conducting mining operations, the Company recognizes the inherent risks and uncertainties of the industry, and the wasting nature of assets. Recoverability of capitalized amounts is reviewed on a regular basis.

### Effect of exchange rate fluctuations

Currently, a significant portion of AngloGold Ashanti's revenues, excluding the effect of realized non hedge derivatives, are generated in South Africa, and to a lesser extent in Brazil, Argentina and Australia, and most of its production costs, therefore, are denominated in local currencies, such as the South African rand, the Brazilian real, the Argentinean peso and the Australian dollar. In 2007, the Company derived 71 percent (65 percent including joint venture arrangements) of its revenues from these countries and incurred 62 percent (59 percent including joint venture arrangements) of its production costs in these local currencies. In 2007, the weakening of the dollar against these local currencies in which the company operates continued to increase total cash costs. A one percent strengthening of these local currencies against the dollar will result in an increase of total cash costs incurred of nearly $3 per ounce, or 1 percent. As the price of gold is denominated in US dollars and the Company realizes the majority of its revenues in US dollars, devaluation of these local currencies against the US dollar improves the Company's profitability in the short-term. Conversely strengthening of these local currencies against the US dollar adversely impacts the Company's profitability in the short term. Based upon average rates during the respective years, the rand weakened and the real strengthened by approximately 4 percent and 11 percent respectively, against the US dollar in 2007 compared to 2006. The Argentinean peso traded freely against the US dollar from January 1, 2002 and had devalued to 3.15: 1 against the US dollar by December 31, 2007. The Australian dollar, based on the average rates during the respective years, strengthened by 11 percent against the US dollar in 2007 compared to 2006.

To fund local operations, AngloGold Ashanti holds funds in local currencies. The US dollar value of these currencies may be affected by exchange rate fluctuations and, as a result, the Company's cash and cash equivalents reported in US dollars could change. At December 31, 2007, approximately 66 percent of the Company's cash and cash equivalents were held in local currencies.

Certain exchange controls are currently in force in South Africa. Although the exchange rate of the rand is primarily market determined, its value at any time may not be considered a true reflection of the underlying value of the rand while exchange controls exist. The government has indicated its intention to lift exchange controls over time. As exchange controls are relaxed, rand exchange rates will be more closely tied to market forces. It is not possible to predict whether or when this will occur or the future value of the rand. For a detailed discussion of these exchange controls, see "Item 10D.: Exchange controls".

**Effect of inflation**

The mining industry continues to experience price inflation for many commodities and consumables used in the production of gold which lead to higher production costs reported by many gold producers.

AngloGold Ashanti's operations have not been materially adversely affected by inflation in recent years given that it has benefited from sustained period of rising gold prices. However, the Company is unable to control the prices at which it sells its gold (except to the limited extent that it utilizes commodity instruments) and it is possible, therefore, that if there is to be significant inflation in South Africa, and to a lesser extent in Brazil, Argentina and Australia, without a concurrent devaluation of the local currency or an increase in the price of gold, there could be a material adverse effect upon the Company's results and financial condition.

The percentage change in the rand/US dollar exchange rate, based upon average rates during the respective years, and the local annual inflation rate, as measured by the South African Producer Price Index (PPI), are set out in the table below:

| **Year ended December 31** | **2007 percent** | **2006 percent** | **2005 percent** |
|---|---|---|---|
| The average South African rand/US$ exchange rate weakened/(strengthened) by: | 3.8 | 6.3 | (1.1) |
| PPI (inflation rate) increase: | 10.0 | 7.7 | 3.1 |

| | |
|---|---|
| **Net effect** | |
| **6.2** | **1.4** |
| **(4.2)** | |

**Effect of commodity instruments**

AngloGold Ashanti has utilized commodity instruments to protect the selling price of some of its anticipated production. The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001 the company has been reducing its hedge commitments through hedge buy-backs (limited to non-hedge derivatives), deliveries into contracts and restructurings in order to provide greater participation in a rising gold price environment, the effect of which may be that only limited price protection is available at lower gold prices. For a discussion of the Company's commodity instruments see "Item 11: Quantitative and qualitative disclosures about market risk".

**Acquisitions and dispositions**

The global gold mining industry has experienced active consolidation and rationalization activities in recent years. Accordingly, AngloGold Ashanti has been, and expects to continue to be, involved in a number of acquisitions and dispositions as part of this global trend and to identify value-adding business combination and acquisition opportunities.

The following is a description of acquisitions and dispositions completed by AngloGold Ashanti since January 1, 2005:

In April 2005, AngloGold Ashanti agreed to the conditional sale of exploration assets in the Laverton area, comprising the Sickle royalty of $30 per ounce, the Child Harold prospect, various 100 percent 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 (Crescent).

On May 31, 2005 AngloGold Ashanti acquired an additional 12.4 percent interest (6,131,585 ordinary shares) in Trans-Siberian
Gold plc (TSG) for an aggregate consideration of £8 million ($15 million) as a second subscription in a transaction involving two
subscriptions for ordinary shares. The first tranche of ordinary shares of 17.5 percent was acquired during July 2004. The
Company's aggregate shareholding in TSG at December 31, 2007 was 12,263,170 ordinary shares (29.8 percent interest held,
after the dilution of shareholding resulting from an increase in issued share capital).
On July 19, 2005, Aflease Gold and Uranium Resources Limited (Aflease) announced that it had purchased from AngloGold
Ashanti, its Weltevreden mine. On December 19, 2005, Aflease was acquired by sxr Uranium One Incorporated (formerly
Southern Cross Incorporated) (sxr Uranium One). The conditions precedent to the agreement with sxr Uranium One were not
fulfilled by the expiry date of December 31, 2007 and a new agreement is being negotiated with Aflease Gold Limited. The
Company has separately classified assets and liabilities for Weltevreden presented in the consolidated balance sheet, as held
for sale. Refer to Note 16 in Item 18 – Assets and liabilities held for sale.
On August 26, 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 percent from a 12.3 percent stake originally acquired in the
expanded issued capital of Red 5 Limited during 2004. On September 18, 2006, the Company 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 may
earn between 52 percent and 58.5 percent interest in two tenements through an additional expenditure of A$4 million
($3 million), with a right to increase its holding by 8 percent to 9 percent through an additional spend of A$5 million
($4 million).
As at December 31, 2007, the Company held a 10.2 percent interest in Red 5 Limited.
During the period October 10 through October 18, 2005, AngloGold Ashanti Australia reduced it shareholding in Tanami Gold
to 5 percent, through the sale of 8 million fully paid ordinary shares for a cash consideration of A$1.3 million ($1.0 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 ($3.0 million).
On February 27, 2006, AngloGold Ashanti announced that it had signed an agreement with Dynasty Gold Corporation, a
company with exploration activities in China, to acquire an effective 8.7 percent stake in that company through a purchase of
5.75 million Dynasty units at a price of C$0.40 each. Each unit consists of one common share and one-half common share
purchase warrant exercisable at a price of C$0.60 per unit for two years.
On June 1, 2006, AngloGold Ashanti and Bema Gold Corporation (Bema) announced that they would 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. In November 2006, certain members of Bema's management formed a company, B2 Gold, which company
would acquire certain rights held by Bema following the acquisition by Kinross Gold of Bema in December 2006. On February
14, 2007, the Company consented to the ultimate assignment of Bema's rights and responsibilities to B2 Gold in terms of the
joint venture agreement entered into between the Company and Bema.

On June 30, 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 percent interest in six Alaska mineral exploration
properties and associated databases in return for 5,997,295 common shares of ITH stock, representing an approximate
19.99 percent interest in ITH (December 31, 2007; 15.12 percent). The sales transaction closed on August 4, 2006. The
Company also granted to ITH the exclusive option to acquire a 60 percent 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, the Company will have the option to increase or dilute its stake in these
projects, subject to certain conditions.

On July 14, 2006, AngloGold Ashanti announced the signing of a Heads of Agreement with Antofagasta plc to jointly explore in
Southern Colombia for new gold and copper deposits. The Company 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
$1 million 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 percent of the joint venture. Both AngloGold Ashanti and Antofagasta will have the
right to increase their interests by 20 percent in copper-dominant and gold-dominant properties subject to certain conditions.

This transaction terminated in November 2007 with Antofagasta plc making a minimal payment fulfilling their commitment to
the joint venture.

On August 23, 2006, AngloGold Ashanti announced that it had entered into a conditional agreement with Central African Gold
plc (CAG) to sell the assets, related to Bibiani and Bibiani North prospecting permit, including all of Bibiani's employees, fixed
mining and non-mining assets, inventory, trade receivables and intellectual property as well as the Bibiani mining 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. The conditions precedent to the sale of Bibiani were satisfied effective December 28, 2006. The
Bibiani North prospecting license was assigned to CAG on May 17, 2007 by the Ghanaian Land Commission and Registry.
Arising from the sale of Bibiani assets, AngloGold Ashanti decided to apply $3 million of the partial proceeds to an investment
of 15,825,902 Central African Gold plc (CAG) shares. Subsequent to this decision, local regulators required that the shares in
CAG be sold within 90 days of December 28, 2006. On February 14, 2007, the Company disposed of 7,000,000 CAG shares
yielding total proceeds of £768,845 ($1.5 million) and during April 2007, disposed of the remaining 8,825,902 CAG shares
yielding total proceeds of £894,833 ($1.8 million).
On September 21, 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 would cooperate in exploration, acquisition and development of gold mining opportunities
within the Russian Federation. At the same time, the Company announced that it had submitted an offer to the board of Trans-
Siberian Gold plc (TSG) to acquire all of TSG's interest in its Krasnoyarsk based subsidiaries, OOO GRK Amikan (Amikan) and
OOO Artel Staratelei Angarskaya Proizvodstvennaya Kompania (AS APK) for a total consideration of $40 million. In June
2007, the Company concluded the purchase of TSG's interests in Amikan (which holds the Veduga deposit, related exploration
and mining licenses) and AS APK (which holds the Bogunay deposit, related exploration and mining licenses). These
companies acquired from TSG by AngloGold Ashanti, together with two greenfields exploration companies held by Polymetal,
hold the initial operating assets of the strategic alliance. Of the assets acquired from TSG, assets of $15 million were
subsequently classified as held for sale during 2007. Refer to Note 16 in Item 18 – Assets and liabilities held for sale.
On June 8, 2007, AngloGold Ashanti announced that it had sold, subject to certain conditions, most of the remaining moveable
and immovable assets of Ergo, the surface reclamation operation east of Johannesburg, discontinued in March 2005, to a
consortium of Mintails South Africa (Pty) Limited/DRD South African Operations (Pty) Limited Joint Venture. The site is
currently being rehabilitated by AngloGold Ashanti. The assets and associated liabilities were sold for R42.8 million
(approximately $6 million). The joint venture will operate, for its own account, under the AngloGold Ashanti authorizations until
new order mining rights have been obtained and transferred to the joint venture. Refer to Note 8 in Item 18 –

Discontinued operations.

During July 2007, AngloGold Ashanti disposed of its investment of 600,000 shares previously held in Mwana Africa plc for $0.8 million. The shares were acquired pursuant to the sale of the Company's entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited during 2004.

AngloGold Ashanti completed the acquisition of the minority interests in the Iduapriem and Teberebie mine previously held by the Government of Ghana (5 percent) and the International Finance Corporation (10 percent) effective September 1, 2007 for a total cash consideration of $25 million. The Iduapriem and Teberebie mine is now wholly-owned by the Company.

Acquisitions have been accounted for as purchase business combinations under US GAAP. The consolidated financial statements reflect the operations and financial condition of AngloGold Ashanti, assuming that acquisitions and dispositions took place on the effective date of these transactions. Therefore, the consolidated financial statements are not necessarily indicative of the Company's financial condition or results of operations for future periods. For a more detailed discussion of these transactions, see "Item 4A.: History and development of the company".

**South African political, economic and other factors**
AngloGold Ashanti is a company domiciled in South Africa, with a number of operations in South Africa. As a result, the Company is subject to various economic, fiscal, monetary and political factors that affect South African companies generally.
South African companies are subject to exchange control regulations. Governmental officials have from time to time stated their intentions to lift South Africa's exchange control regulations when economic conditions permit such action. From 1998, certain aspects of exchange controls for financial institutions and individuals have been incrementally relaxed. It is, however, impossible to predict whether or when the South African government will remove exchange controls in their entirety. South African companies remain subject to restrictions on their ability to export and deploy capital outside of the Southern African Common Monetary Area, unless dispensation has been granted by the South African Reserve Bank. For a detailed discussion of exchange controls, see "Item 10D.: Exchange controls".
On May 1, 2004, the Minerals and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA) came into effect and operation. The MPRDA vests custodianship of South Africa's mineral rights in the State. The State issues prospecting rights or mining rights to applicants. The former common law prospecting, mining and mineral rights are now known as old order mining rights and the transitional arrangements provided in the MPRDA give holders of such old order mining rights the opportunity to convert their old order mining rights into new order mining rights. Applicants have five years from May 1, 2004, in which to apply to convert old order mining rights into new order mining rights. In August 2005, the Director General of Minerals and Energy notified that the AngloGold Ashanti application for new order mineral rights had been granted.
The South African government has announced the details of the proposed new legislation whereby new order rights will be subject to a State royalty. The third draft of the Mineral and Petroleum Resources Royalty Bill was published on December 6, 2007 and provides for the payment of a royalty according to a formula based on earnings before interest, tax and depreciation.
It is estimated that the formula could translate to a royalty rate of more than 4 percent of gross sales in terms of current pricing assumptions. The latest proposal results in a large increase from the 1.5 percent rate proposed in the second draft in 2006, and the company is making representations to the government through the South African Chamber of Mines to retain the proposed 1.5 percent rate. The payment of royalties is currently scheduled to begin on May 1, 2009, if the Bill is passed by Parliament in its current form.
**Gold market in 2007**
Continued strong levels of investor and speculator interest, particularly in the fourth quarter of the year, pushed the gold price to levels just short of record highs, records which were then surpassed soon after year end in an exceptionally buoyant

market.
The average gold spot price for the year, at $697 per ounce, was 15 percent higher than that in 2006. Although prices were relatively range-bound during the first half of the year, the end of the third quarter and the fourth quarter saw a strong surge in the dollar gold price and particularly high levels of investor interest. Fabrication demand followed an inverse pattern, with the more stable prices of the first half leading the market to record high levels of jewellery consumption in certain regions, which then fell away in the fourth quarter as price volatility took its toll, particularly in more price-sensitive markets. The exception to this pattern was the Chinese market, where jewellery demand remained relatively solid in the fourth quarter despite the high levels of price volatility. The main contributing factor to the price gains seen in the second half of the year was economic uncertainty relating to credit concerns and the impact of the sub-prime mortgage crisis in the US. Inflationary concerns driven by higher food, oil and commodity prices also played a role, as did the escalation in geopolitical tension, particularly at year-end. Rand gold prices saw new record highs of R187,000 per kilogram during the year and an average spot price for the year of just over R157,000 per kilogram.
Overall, the investment market saw lower levels of demand than in 2006, however, this demand was heavily concentrated in the last half of 2007, for the aforementioned reasons. Particular strength was exhibited in trade on commodity exchanges and also in the gold Exchange-Traded Funds (ETFs). Total ETF holdings at year-end stood at close to 28 million ounces, with a total value of over $23 billion. This represents a significant level of growth over year-end holdings in 2006, even though this represented a doubling over levels of funds held the previous year.
Over the first half of 2007, physical demand from jewellery fabrication recovered strongly from the low levels of 2006, reaching record highs in several major markets. In the second half of the year, however, this level of demand could not be sustained in the face of a more volatile price environment, which impacted heavily on traditional markets, and with the increasingly difficult consumer and retail environment in developed markets such as the US.

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Overall, fabrication demand for jewellery in 2007 increased by 6 percent in tonnage terms over 2006 levels, with the bulk of that increase contributed by the larger emerging markets of East Asia, India and the Middle East, whereas demand from the US market fell in tonnage terms by 14 percent over 2006.

It was in the Indian market that the contrast in consumption levels between the two halves of the year was most marked.

Demand reached record levels in rupee and tonnage terms for both jewellery and retail investment in the second quarter of the year. Together these totalled 317 tonnes, half of global mine output for the quarter and 90 percent higher than the relatively low level attained in the same quarter in 2006. Demand in the first half of the year increased by 72 percent over the corresponding period in the previous year. This strong level of consumption was fuelled in part by economic growth, particularly in the agricultural sector, as well as by a stable rupee gold price. In the second half of the year, however, the rupee/dollar exchange rate showed significant volatility, and this combined with a period of volatility in dollar gold prices created a set of circumstances unfavorable to gold consumption. Price volatility is a significant deterrent to demand in the Indian market, and in the second half of 2007 the periods of most extreme price volatility coincided with some of the more auspicious gold buying occasions, such as Diwali. Demand in the fourth quarter was particularly poor, and fourth quarter offtake reached the lowest level since the early 1990s. Over the year as a whole an increase in jewellery offtake in tonnage terms of 6 percent was recorded.

Demand in the Middle East, specifically in the six Gulf markets, was also dented considerably in the second half of the year, with a sharp shift in consumer sentiment away from gold jewellery consumption brought about by a combination of volatile price levels, inflationary concerns and significant escalations in rent charges. As the currencies of these markets are pegged against the dollar, there is no cushioning for consumers against dollar gold price volatility. In the region, Turkey and Egypt experienced healthier demand, with good tourist seasons and increased economic stability helping to fuel consumption.

The Chinese market proved most resilient to the more volatile prices as most retailers maintain a margin of approximately 10 percent over the gold price and therefore tend not to adjust prices on a daily basis according to each and every fluctuation in the dollar gold price. The Chinese economy also continued to record strong growth.

In the US, gold demand in 2007 reached the lowest level since 1992. Retailers continued to reduce their focus on the category in the light of rising prices and to seek out product with lower gold content so as to offer a lower-cost range of product to an increasingly price-sensitive consumer. Only the high end of the market, which typically retails 18 carat product, remained strong. Margins in this segment are higher than in the mass market segment and consumers are less sensitive to price increases.

Despite high gold prices, scrap supplies of gold into the market were weaker than in 2006. In part this seems to have been due to the fact that significant personal gold inventories were liquidated in 2006 and have not been replaced as yet. Another factor was the price surge which took place towards the end of the year. Consumers were deterred from selling old jewellery by the expectation that prices might rise further.

Industrial demand increased marginally by 2 percent over 2006 levels. A slowdown in the demand for electronic goods over the second half of the year impacted growth in this sector.

Official sector sales for the calendar year were approximately 485 tonnes, some 30 percent higher than in 2006. Gold sales by the Central Bank Gold Agreement (CBGA) signatories account for the bulk of this increase and in the third year of the second CBGA agreement (which came to an end on September 26, 2007) 475.8 tonnes of the available quota of 500 tonnes had been released onto the market.

Gold producers reduced their hedging positions considerably in 2007. Over 400 tonnes were bought in the market in this way, a figure only slightly below the record level of de-hedging measured in 2004. The majority of this activity took place in the first half of the year and was driven by the activities of a small number of major players.

**Comparison of operating performance in 2007, 2006 and 2005**

The joint venture operations situated in Mali (the Sadiola, Yatela and Morila Joint Ventures) did not meet the significance test requirements for separate financial statements and disclosures in terms of Regulation S-X Rule 3.09 for the financial year ended December 31, 2007. Accordingly, the financial statements for these joint ventures included in Item 18 are unaudited for this period.

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The following table presents operating data for the AngloGold Ashanti group for the three year period ended December 31, 2007:

**Operating data for AngloGold Ashanti**

| Year ended December 31 | 2007 | 2006 | 2005 |
|---|---|---|---|
| Total attributable gold production (thousand ounces) | 5,477 | 5,635 | 6,166 |
| Total cash costs ($/oz) | 367 | 321 | 281 |
| Total production costs ($/oz) | 504 | 452 | 398 |
| Production costs (million US dollars) | 1,917 | 1,539 | 1,642 |
| Capital expenditure (million US dollars) | 1,059 | 817 | 722 |
| - Consolidated entities | 1,050 | 811 | 710 |
| - Equity accounted joint ventures | 9 | 6 | 12 |

***Attributable gold production***

For the year ended December 31, 2007, AngloGold Ashanti's total attributable gold production from continuing operations decreased by 158,000 ounces, or 3 percent, to 5.5 million ounces from 5.6 million ounces produced in 2006. In South Africa, gold production decreased by 9 percent from 2,554,000 ounces produced in 2006, to 2,328,000 ounces produced in 2007 mainly due to a decline in the volume of ore mined at Great Noligwa as a result of lower face advance and lower volume mined at TauTona and Kopanang due to seismicity issues. Gold production in Argentina, Ghana and Mali decreased from 215,000 ounces, 592,000 ounces and 537,000 ounces, respectively, produced in 2006, to 204,000 ounces, 527,000 ounces and 441,000 ounces, respectively, produced in 2007. This was mainly due to lower grades at Cerro Vanguardia (in Argentina); lower volumes mined due to an eleven day plant shutdown and power outages at Obuasi (in Ghana) and the impact on production following the sale of Bibiani (in Ghana) concluded in December 2006. In Mali gold production for 2007 was lower compared to 2006 due to lower recovered grades at Yatela, Morila and Sadiola.

The decrease in gold produced over 2007 at most mines was partially offset by an increase in gold production in Australia, Brazil, Guinea and Tanzania from 465,000 ounces, 339,000 ounces, 256,000 ounces and 308,000 ounces, respectively, produced in 2006, to 600,000 ounces, 408,000 ounces, 280,000 ounces and 327,000 ounces produced, respectively, in 2007.

This was mainly due to the mining of high grade areas at Sunrise Dam (in Australia); at AngloGold Ashanti Brasil Mineração (in Brazil) due to Cuiabá mine expansion completed in latter half of 2006; at Siguiri (in Guinea) due to higher volumes treated with the Carbon-in-pulp (CIP) plant being in full production and at Geita (in Tanzania) due to the impact of adverse weather conditions, the delay in the Nyankanga pit push-back and lower recovered grade in 2006.

For the year ended December 31, 2006, AngloGold Ashanti's total attributable gold production from continuing operations decreased by 531,000 ounces, or 9 percent, to 5.6 million ounces from 6.2 million ounces produced in 2005. Gold production from the Geita mine in Tanzania decreased from 613,000 ounces in 2005 to 308,000 ounces in 2006 and mines in Ghana and Guinea reported decreases from 926,000 ounces to 848,000 ounces, mainly due to lower yields. Marginal declines in gold production were recorded from operations located in Brazil where gold production fell from 346,000 ounces to 339,000 ounces.

Gold production from operations situated in South Africa decreased by 5 percent from 2,676,000 ounces produced in 2005 to 2,554,000 ounces in 2006 mainly due to both lower mining volumes and grade. Gold production from operations situated in the USA declined from 330,000 ounces produced in 2005 to 283,000 ounces in 2006. The Australian operations produced 465,000 ounces of gold during 2006, compared with 455,000 ounces in 2005.

Gold production in Mali increased by 2 percent from 528,000 ounces in 2005 to 537,000 ounces in 2006. Navachab, the Namibian operation, produced 86,000 ounces of gold in 2006 compared with 81,000 ounces in 2005, mainly as a result of increased milled tonnages offset by reductions in recovered grade. Operations in Argentina produced 215,000 ounces in 2006, a marginal increase over the 211,000 ounces produced in 2005.

A more detailed review of gold production at each of AngloGold Ashanti's operations is provided under "Item 4B.: Business overview".

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***Total cash costs and total production costs***

***Comparison of total cash costs and total production costs in 2007 with 2006***

Cash costs in all of the operations situated in South Africa increased in 2007 when compared to 2006. This was largely a result of the reduced volumes mined, declining grades, safety-related stoppages and wage increases.

Cerro Vanguardia, the Argentinean mine, recorded an increase in cash costs of 17 percent from $223 per ounce in 2006 to $260 per ounce in 2007, mainly as a result of higher local inflation, increases in contractor and maintenance costs as well as an increase in the size of the workforce partially offset by higher silver by-product revenue. The Australian mine, Sunrise Dam, reported cash costs of $262 per ounce for 2007 compared to $333 per ounce for 2006, a 21 percent decrease mainly due to record gold production in 2007.

The Brazilian mines, Brasil Mineração and Serra Grande, reported cash costs of $246 per ounce in 2007 compared to $207 per ounce in 2006 and $264 per ounce in 2007 compared to $196 per ounce in 2006, respectively. This increase in cash costs at both mines is mainly attributable to higher local inflation and reduced grade recovered and the appreciation of the local currency against the US dollar.

Obuasi in Ghana reported increased cash costs of $67 per ounce increasing to $464 per ounce in 2007 as a result of reduced production and increases in prices of consumables and rates of service contracts. Iduapriem reported an increase in cash costs from $413 per ounce in 2006 to $497 per ounce in 2007 mainly due to the combined impact of the mill shutdown and increases in contract mining costs. The operations at Siguiri, in Guinea, reported a $73 per ounce increase in cash costs to $471 per ounce, mainly as result of the appreciation of the Guinean franc against the US dollar, higher royalty payments linked to the higher gold price and higher fuel and labor costs.

The Malian operations reported increased cash costs. Yatela reported an increase in cash costs to $300 per ounce in 2007 compared to $241 per ounce in 2006 due to the decline in production, appreciation of the euro and FCFA against the dollar and higher fuel prices. At Morila, cash costs increased in 2007 to $333 per ounce compared to $266 per ounce in 2006 mainly due to the decline in production, appreciation of the euro and FCFA against the dollar and higher fuel prices. At Sadiola, production declined 26 percent to 140,000 ounces, consequently cash costs increased from $268 per ounce in 2006 to $414 per ounce in 2007.

Navachab in Namibia reported an increase in cash costs of 36 percent to $475 per ounce as a result of an increase in the costs of labor and explosives whilst a grade-related decline in gold production also had a negative effect. Geita in Tanzania reported a slight decrease in cash costs from $630 per ounce in 2006 to $627 per ounce in 2007. Reduced expenditure on equipment re-builds, contractor services and an increased level of production contributed to the containment of costs. In North America, Cripple Creek reported a $21 per ounce increase to $269 per ounce in 2007 mainly due to higher commodity and diesel fuel prices.

Overall, total cash costs for 2007 increased by $46 per ounce, or 14 percent, of which $21 per ounce was due to inflation, $20 per ounce to lower efficiencies, $8 per ounce to decreased by-product sales, $6 per ounce to lower volumes and $5 per ounce to exchange and royalty effects. These increases were partially offset by higher grades of $2 per ounce and other variances of $12 per ounce.

***Comparison of total cash costs and total production costs in 2006 with 2005***

Cerro Vanguardia, the Argentinean mine, recorded an increase in cash costs of 30 percent from $171 per ounce in 2005 to $223 per ounce in 2006, mainly as a result of higher local inflation and increases in commodity and maintenance costs and the effects of the adoption of EITF 04-6. The Australian mine, Sunrise Dam, reported cash costs of $333 per ounce for 2006 compared to $269 per ounce for 2005, a 24 percent increase mainly from commodity and contractor costs and the adoption of EITF 04-6, which increased cash costs by $37 per ounce.

The Brazilian mines, Brasil Mineração and Serra Grande, reported cash costs of $207 per ounce in 2006 compared to $169 per ounce in 2005 and $196 per ounce in 2006 compared to $158 per ounce in 2005, respectively. This increase in cash costs at both mines is mainly attributable to higher local inflation and reduced grade recovered and the adoption of EITF 04-6.

Obuasi in Ghana reported increased cash costs of $52 per ounce increasing to $397 per ounce in 2006 as a result of processing increased tonnages with lower grade ore, whilst at Iduapriem cash costs increased to $413 per ounce mainly due to
local inflation and the adoption of EITF 04-6 which increased cash costs by $42 per ounce. The operations at Siguiri, in
Guinea, reported a $97 per ounce increase in cash costs to $398 per ounce, mainly as result of commodity price increases,
higher royalties, which are linked to spot prices, maintenance shutdowns and plant modifications post commissioning.
The Malian operations had a mixed year. Yatela reported a decrease in cash costs to $241 per ounce in 2006 compared to
$263 per ounce in 2005 mainly due to process changes in the heap leach operations. At Morila, cash costs increased in 2006
to $266 per ounce compared to $191 per ounce in 2005 mainly due to reduced grade recovered and the major mill relining that
took place in the second half of the year which affected tonnage. Sadiola reported a $3 per ounce increase in cash costs to
$268 per ounce in 2006 mainly due to increased royalty payments linked to the higher gold price. All the Malian operations
were affected by the adoption of EITF 04-6.
Navachab in Namibia reported an increase in cash costs of 9 percent to $349 per ounce as a result of increased gold production and the effects of the US dollar on costs in the second half of the year and the adoption of EITF 04-6, which
affected cash costs by $84 per ounce. Geita in Tanzania was impacted by a combination of factors during the year including a
drought early in the year, followed by floods impacting haulage rates. These impacted the cut back of the Nyankanga pit which
resulted in a 46 percent drop in grade and ultimately impacting cash costs by 111 percent, increasing cash costs from $298 per
ounce in 2005 to $630 per ounce in 2006. The adoption of EITF 04-6 increased cash costs at Geita by $140 per ounce. In
North America, Cripple Creek reported a $18 per ounce increase to $248 per ounce in 2006 mainly due to higher commodity
prices.
Overall, total cash costs for 2006 increased by $40 per ounce of which $14 per ounce related to inflation, and $36 per ounce to
lower grades and $13 per ounce for the adoption of EITF 04-6. Cost savings initiatives helped to offset these increases by
$10 per ounce, favorable exchange variances by $7 per ounce, higher-by-product effects by $3 per ounce and other variances
by $3 per ounce.
Total production costs per ounce increased from $452 per ounce in 2006 to $504 per ounce in 2007 and from $398 per ounce
in 2005 to $452 per ounce in 2006.
A more detailed review of total cash costs and total production costs at each of AngloGold Ashanti's operations is provided
under "Item 4B.: Business overview".

***Reconciliation of total cash costs and total production costs to financial statements***

Total cash costs and total production costs are calculated in accordance with the guidelines of the Gold Institute industry
standard and Industry practice and are not US GAAP measures. The Gold Institute, which has now been incorporated

into the National Mining Association, was a non-profit international association of miners, refiners, bullion suppliers and manufacturers of gold products, which developed a uniform format for reporting total production costs on a per ounce basis. The guidance was first adopted in 1996 and revised in November 1999.

Total cash costs, as defined in the Gold Institute industry guidelines, are production costs as recorded in the statement of operations, less offsite (i.e. central), general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs) and rehabilitation costs, plus royalties and employee termination costs.

Total cash costs as calculated and reported by AngloGold Ashanti include costs for all mining, processing, onsite administration costs, royalties and production taxes, as well as contributions from by-products, but exclusive of depreciation, depletion and amortization, rehabilitation costs, employment severance costs, corporate administration costs, capital costs and exploration costs. Total cash costs per ounce are calculated by dividing attributable total cash costs by attributable ounces of gold produced.

Total production costs, as defined in the Gold Institute industry guidelines, are total cash costs, as calculated using the Gold Institute industry guidelines, plus amortization, depreciation and rehabilitation costs.

Total production costs as calculated and reported by AngloGold Ashanti include total cash costs, plus depreciation, depletion
and amortization, employee severance costs and rehabilitation and other non-cash costs. Total production costs per ounce are
calculated by dividing attributable total production costs by attributable ounces of gold produced.
Prior to January 1, 2006 stripping costs incurred in open-pit operations during the production phase to remove additional waste
were charged to operating costs on the basis of the average life of mine stripping ratio and the average life of mine costs per
tonne and resulted in capitalization of such stripping costs (deferred stripping). EITF Issue 04-6 prohibits capitalization of post
production stripping costs effective from January 1, 2006. Except for this impact on total cash costs and total production costs,
total cash costs and total production costs have been calculated on a consistent basis for all periods presented.
Total cash costs and total production costs should not be considered by investors in isolation or as alternatives to production
costs, net income/(loss) applicable to common stockholders, income/(loss) before income tax provision, net cash provided by
operating activities or any other measure of financial performance presented in accordance with US GAAP or as an indicator of
the company's performance. While the Gold Institute has provided definitions for the calculation of total cash costs and total
production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production
costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis
for comparison with other gold mining companies. However, AngloGold Ashanti believes that total cash costs and total
production costs in total by mine and per ounce by mine are useful indicators to investors and management as they provide:

- an indication of profitability, efficiency and cash flows;
- the trend in costs as the mining operations mature over time on a consistent basis; and
- an internal benchmark of performance to allow for comparison against other mines, both within the AngloGold Ashanti group and of other gold mining companies.

A reconciliation of production costs as included in the company's audited financial statements to total cash costs and to total
production costs for each of the three years in the period ended December 31, 2007 is presented below. In addition the
Company has also provided below detail of the attributable ounces of gold produced by mine for each of those
periods.

**For the year ended December 31, 2007**
**Operations in South Africa**
(7)
(in $ millions, except as otherwise noted)
**Mponeng**
**TauTona**
**Savuka**
**Great**
**Noligwa**
**Kopanang**
**Tau Lekoa**
**Moab**
**Khotsong**
**Surface**
**operations**
**Corporate**
**(6)**
**Production**
**costs**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **159** | **132** | **30** | **201** | **133** | **80** | **51** | **39** | **49** |

*Plus:*
Production costs of equity accounted joint ventures
(1)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | (8) |

*Less:*
Rehabilitation costs & other non-cash costs
-
1
-
(2)
(1)
-
(5)
-
(23)
*Plus:*
Inventory movement
(1)
(1)
-
(1)
(1)
(1)
-
-
-
Royalties

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - |

Related party transactions
(2)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (3) | (2) | (1) | (3) | (3) | (1) | (1) | (1) | - |

*Adjusted for:*
Minority interests
(3)
- - - - - - - - 1
Non-gold
producing
companies
and
adjustments - - - - - - -
- (8)
**Total**
**cash**
**costs**
**155 130 29 195 128 78 45 38 11**
*Plus:*
Depreciation, depletion and amortization
53
64
5
50
37
45
34
3
15
Employee severance costs
1
1
-
1
1
1
-
-
-
Rehabilitation and other non-cash costs
-
(1)
-
2
1
-
5
-
23
*Adjusted for:*
Minority interests
(3)
- - - - - - - - -
Non-gold
producing

companies
and
adjustments - - - - - - -
- (4)

**Total**
**production**
**costs**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **209** | **194** | **34** | **248** | **167** | **124** | **84** | **41** | **45** |

**Gold produced (000' ounces)**
(4)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **587** | **409** | **73** | **483** | **418** | **165** | **67** | **125** | **-** |

**Total cash costs per ounce**
(5)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **264** | **318** | **397** | **404** | **306** | **473** | **672** | **304** | **-** |

**Total production costs per ounce**
(5)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **356** | **474** | **466** | **513** | **400** | **752** | **1,254** | **328** | **-** |

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**For the year ended December 31, 2007**
**Operations in Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and USA**
(in $ millions, except as otherwise noted)
**ARGENTINA AUSTRALIA**
**BRAZIL**
**GHANA**
**GUINEA**
**MALI**
**NAMIBIA TANZANIA**
**USA**
**Cerro**
**Vanguardia**

**Sunrise**
**Dam**
**Boddin**
**gton**
**(9)**
**AngloGold**
**Ashanti**
**Brasil**
**Mineração**
**Serra**
**Grande**
**Obuasi**
**Bibiani**
**(10)**
**Iduapriem**
**(11)**
**Siguiri**
**Sadiola**
**Yatela**
**Morila**
**Navachab**
**Geita**
**Cripple**
**Creek**
**& Victor**
**Production**
**costs**
**44 145**
**1**
**82**
**52**
**176 - 92 136 - - - 36**
**206 73**
Plus:
Production costs of equity accounted joint ventures
(1)
-
- - - - - - -

-
54 30 50
-
-
-
Less:
Rehabilitation costs & other non-cash costs
(4)
3
(1)
(4)
(2)
(18)
-
(7)
(6)
(3)
(1)
-
2
(4)
(4)
Plus:
Inventory movement
6
(2)
-
-
(1)
1
-
2
(3)
-
-
1
(1)
(4)
42
Royalties
11 11 - - - 8 - 4 28 6 5 8 1
7
-
Related party transactions
(2)
-
- - - - - - -
- 1 2 1 -
-
-
Adjusted

for:
Minority interests
(3)
(4) - - -
(25)
- - (8) (23) - - - -
-
-
**Total cash costs**
**53**
**157**
**-**
**78**
**24**
**167**
**-**
**83**
**132**
**58**
**36**
**60**
**38**
**205**
**111**
Plus:
Depreciation, depletion and amortization
17
53
-
32
18
67
-
21
45
6
4
13
6
58
32
Employee
severance
costs
-
- - - - 14 - -
-
- - -
-
-
-

Rehabilitation and other non-cash costs
4
(3)
1
4
2
18
-
7
6
3
1
-
(2)
4
4
Adjusted
for:
Minority interests
(3)
(1) - - -
(10)
- - (2) (7) - - - -
-
-
**Total**
**production**
**costs**
**73**
**207 1 114 34 266 - 109 176 67 41 73 42**
**267**
**147**
**Gold produced (000' ounces)**
(4)
**204**
**600 - 317 91 360 - 167 280 140 120 180**
**80**
**327**
**282**
**Total cash costs per ounce**
(5)
**260**
**262 - 246 264 464 - 497 471 414 300 333 475**
**627**
(8)
**269**
**Total production costs per ounce**
(5)
**358**
**345 - 360 374 739 - 653 629 479 342 406 525**
**817**

**521**
117

118
**For the year ended December 31, 2007**
**AngloGold Ashanti operations - Total**
(in $ millions, except as otherwise noted)
**Total**
**Production costs per financial statements**
**1,917**
*Plus:*
Production costs of equity accounted joint ventures
(1)
126
*Less:*
Rehabilitation costs & other non-cash costs
(79)
*Plus/(less):*
Inventory movement
36
Royalties
89
Related party transactions
(2)
(11)
*Adjusted for:*
Minority interests
(3)
(59)
Non-gold producing companies and adjustments
(8)
**Total cash costs**
**2,011**
*Plus:*
Depreciation, depletion and amortization
678
Employee severance costs
19
Rehabilitation and other non-cash costs
79
*Adjusted for:*
Minority interests
(3)
(20)
Non-gold producing companies and adjustments
(4)
**Total production costs**
**2,763**
**Gold produced (000' ounces)**
(4)
**5,477**
**Total cash costs per ounce**
(5)
**367**

**Total production costs per ounce**
(5)
**504**

*(1)*
*Production costs and related expenses of equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.*
*(2)*
*Relates solely to production costs as included in the Company's consolidated financial statements and has, accordingly, been included in total production costs and total cash costs.*
*(3)*
*Adjusting for minority interest of items included in calculation, to disclose the attributable portions only.*
*(4)*
*Attributable production only.*
*(5)*
*In addition to the operational performances of the mines, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*
*(6)*
*Corporate includes non-gold producing subsidiaries.*
*(7)*
*Adjusted to exclude Ergo.*
*(8)*
*Total cash costs per ounce calculation includes heap leach inventory change.*
*(9)*
*There was no production attributable to AngloGold Ashanti in 2007.*
*(10)*
*Bibiani was sold effective December 28, 2006.*
*(11)*
*Remaining minority interests of 15 percent were acquired effective September 1, 2007.*

**For the year ended December 31, 2006**
**Operations in South Africa**
(7)
(in $ millions, except as otherwise noted)
**Mponeng**
**TauTona**
**Savuka**
**Great**
**Noligwa**
**Kopanang**
**Tau Lekoa**
**Moab**
**Khotsong**
**Surface**
**operations**
**Corporate**
**(6)**
**Production**
**costs**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **137** | **128** | **29** | **161** | **128** | **78** | **29** | **32** | **(39)** |

*Plus:*
Production costs of equity accounted joint ventures
(1)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - |

(28)
*Less:*
Rehabilitation costs & other non-cash costs
1
(2)
1
(1)
-
(1)
(1)
-
6
*Plus:*
Inventory movement
5
3
1
1
3
-
1
-
1
Royalties

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - |

Related party transactions
(2)

(1) (1) (1) (1) (1) - - - -

*Adjusted for:*

Minority interests

(3)

- - - - - - - - (2)

Non-gold
producing
companies
and
adjustments - - - - - - -

- 66

**Total**
**cash**
**costs**

**142 128 30 160 130 77 29 32 4**

*Plus:*

Depreciation, depletion and amortization

81
64
3
67
37
43
20
4
9

Employee severance costs

1
1
-
2
1
1
-
-
-

Rehabilitation and other non-cash costs

(1)
2
(1)
1
-
1
1
-
(6)

*Adjusted for:*

Minority interests

(3)

- - - - - - - - -

Non-gold producing companies and adjustments

-
-
-
-
-
-
-
(3)
**Total production costs**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **223** | **195** | **32** | **230** | **168** | **122** | **50** | **36** | **4** |

**Gold produced (000' ounces)**
(4)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **596** | **474** | **89** | **615** | **446** | **176** | **44** | **113** | **-** |

**Total cash costs per ounce**
(5)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **238** | **270** | **337** | **260** | **291** | **438** | **659** | **283** | **-** |

**Total production costs per ounce**
(5)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **374** | **411** | **359** | **374** | **377** | **693** | **1,136** | **318** | **-** |

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**For the year ended December 31, 2006**
**Operations in Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and USA**
(in $ millions, except as otherwise noted)
**ARGENTINA AUSTRALIA**
**BRAZIL**
**GHANA**
**GUINEA**
**MALI**
**NAMIBIA TANZANIA**
**USA**
**Cerro**
**Vanguardia**
**Sunrise**
**Dam**
**Boddin**
**gton**
**(9)**
**AngloGold**
**Ashanti**
**Brasil**
**Mineração**
**Serra**
**Grande**
**Obuasi**
**Bibiani**
**(10)**
**Iduapriem**
**Siguiri**
**Sadiola**
**Yatela**
**Morila**
**Navachab**
**Geita**
**Cripple Creek**
**& Victor**
**Production costs**
**37**
**140**
**1**
**53**
**36**
**142**
**11**
**68**
**91**
**-**
**-**
**-**
**25**
**190**
**60**

Plus:
Production costs of equity accounted joint ventures
(1)
-
- - - - - - - - 41
21
46 -
-
-
Less:
Rehabilitation costs & other non-cash costs
-
4
(1)
(3)
-
1
3
4
(3)
2
3
(2)
2
7
(2)
Plus:
Inventory movement
3
4
-
-
2
4
1
3
11
2
3
3
3
(8)
40
Royalties
11 7 - - - 7 1 4 21 6 5 7 -
5
2
Related party transactions
(2)
-
- - - - - - - - - 2 1 -

-
-
Adjusted
for:
Minority interests
(3)
(3)
-
-
-
(19)
-
-
(10)
(18)
-
-
-
-
-
-
**Total cash costs**
**48**
**155**
**-**
**50**
**19**
**154**
**16**
**69**
**102**
**51**
**34**
**55**
**30**
**194**
**100**
Plus:
Depreciation, depletion and amortization
35
38
-
20
14
79
9
27
52
19
15
17

7
49
39
Employee severance costs
-
-
-
-
-
15
-
-
-
-
-
-
-
-
-
Rehabilitation and other non-cash costs
-
(4)
1
3
-
(1)
(3)
(4)
3
(1)
(3)
4
(2)
(7)
2
Adjusted
for:
Minority interests
(3)
(3)
- - - (6) - - (1) (5) - - -
-
-
-
**Total production costs**
**80**
**189**
**1**
**73**
**27**
**247**

**22**
**91**
**152**
**69**
**46**
**76**
**35**
**236**
**141**
**Gold produced (000' ounces)**
(4)
**215**
**465**
**-**
**242**
**97**
**387**
**37**
**167**
**256**
**190**
**141**
**207**
**86**
**308**
**283**
**Total cash costs per ounce**
(5)
**223**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **333** | **-** | **207** | **196** | **397** | **432** | **413** | **398** | **268** | **241** | **266** | **349** |

**630**
(8)
**248**
**Total production costs per ounce**
(5)
**372**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **406** | **-** | **301** | **278** | **638** | **594** | **544** | **593** | **363** | **326** | **367** | **407** |

**766**
**498**
120

121
**For the year ended December 31, 2006**
**AngloGold Ashanti operations - Total**
(in $ millions, except as otherwise noted)
**Total**
**Production costs per financial statements**
**1,539**
*Plus:*
Production costs of equity accounted joint ventures
(1)
80
*Plus:*
Rehabilitation costs & other non-cash costs
17
*Plus/(less):*
Inventory movement
84
Royalties
78
Related party transactions
(2)
(2)
*Adjusted for:*
Minority interests
(3)
(54)
Non-gold producing companies and adjustments
68
**Total cash costs**
**1,810**
*Plus/(less):*
Depreciation, depletion and amortization
749
Employee severance costs
22
Rehabilitation and other non-cash costs
(17)
*Adjusted for:*
Minority interests
(3)
(15)
Non-gold producing companies and adjustments
(3)
**Total production costs**
**2,546**
**Gold produced (000' ounces)**
(4)
**5,635**
**Total cash costs per ounce**
(5)
**321**

**Total production costs per ounce**
(5)
**452**

*(1)*
*Production costs and related expenses of equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.*

*(2)*
*Relates solely to production costs as included in the Company's consolidated financial statements and has, accordingly, been included in total production costs and total cash costs.*

*(3)*
*Adjusting for minority interest of items included in calculation, to disclose the attributable portions only.*

*(4)*
*Attributable production only.*

*(5)*
*In addition to the operational performances of the mines, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

*(6)*
*Corporate includes non-gold producing subsidiaries.*

*(7)*
*Adjusted to exclude Ergo.*

*(8)*
*Total cash costs per ounce calculation includes heap leach inventory change.*

*(9)*
*There was no production attributable to AngloGold Ashanti in 2006.*

*(10)*
*Bibiani was sold effective December 28, 2006.*

**For the year ended December 31, 2005**
**Operations in South Africa**
(7)
(in $ millions, except as otherwise noted)
**Mponeng**
**TauTona**
**Savuka**
**Great**
**Noligwa**
**Kopanang**
**Tau Lekoa**
**Surface**
**operations**
**Corporate**
**(6)**
**Production costs**
**138**
**124**
**51**
**179**
**135**
**105**
**26**
**58**
*Plus:*
Production costs of equity accounted joint ventures
(1)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | (7) |

*Less:*
Rehabilitation costs & other non-cash costs
(2)
(1)
1
(6)
(7)
(1)
-
(2)
*Plus:*
Inventory movement
1
-
-
1
-
1
-
-
Royalties
-
-

-
-
-
-
-
-
Related party transactions
(2)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6 | 6 | 2 | 9 | 6 | 4 | 1 | 1 |

*Adjusted for:*
Minority interests
(3)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - |

Non-gold producing companies and adjustments
-
-
-
-
-
-
-
(41)
**Total**
**cash**
**costs**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **143** | **129** | **54** | **183** | **134** | **109** | **27** | **9** |

*Plus:*
Depreciation, depletion and amortization
48
62
7
50
30
34
4
13
Employee severance costs
3
3
6
6
4
3
-
1
Rehabilitation and other non-cash costs
2
1
(1)
6
7

1
-
2
*Adjusted for:*
Minority interests
(3)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - |

Non-gold producing companies and adjustments
-
-
-
-
-
-
-
(5)
**Total production costs**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **196** | **195** | **66** | **245** | **175** | **147** | **31** | **20** |

**Gold produced (000' ounces)**
(4)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **512** | **502** | **126** | **693** | **482** | **265** | **95** | **-** |

**Total cash costs per ounce**
(5)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **279** | **256** | **430** | **264** | **277** | **410** | **287** | **-** |

**Total production costs per ounce**
(5)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **383** | **388** | **524** | **354** | **363** | **555** | **326** | **-** |

122

**For the year ended December 31, 2005**
**Operations in Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and USA**
(in $ millions, except as otherwise noted)
**ARGENTINA AUSTRALIA**
**BRAZIL**
**GHANA**
**GUINEA**
**MALI**
**NAMIBIA TANZANIA**
**USA**
**Cerro**
**Vanguardia**
**Sunrise**
**Dam**
**Boddin**
**gton**
**(9)**
**AngloGold**
**Ashanti**
**Brasil**
**Mineração**
**Serra**
**Grande**
**Obuasi**
**Bibiani**
**Iduapriem**
**Siguiri**
**Sadiola**
**Yatela**
**Morila**
**Navachab**
**Geita**
**Cripple**
**Creek**
**& Victor**
**Production costs**
**31**
**127**
**-**
**40**
**27**
**127**
**45**
**77**
**76**
**-**
**-**
**-**
**20**
**189**
**67**

Plus:
Production costs of equity accounted joint ventures
(1)
-
-
-
-
-
-
-
-
-
42
25
48
-
-
-
Less:
Rehabilitation costs & other non-cash costs
-
(10)
-
(1)
-
(1)
(7)
(2)
(1)
(2)
(1)
(2)
6
(18)
(3)
Plus:
Inventory movement
(1)
-
-
3
2
3
(5)
(4)
6
-
(1)
(1)
-
5

27
Royalties 8
5
-
-
-
5
2
3
5
5
3
7
-
7
4
Related party transactions
(2)
-
-
-
-
-
1
-
1
-
-
-
(2)
-
-
-
Adjusted
for:
Minority interests
(3)
(2)
- - - (14) - - (14) (12) - - - -
-
-
**Total cash costs**
**36**
**122**
**-**
**42**
**15**
**135**
**35**
**61**
**74**

**45**
**26**
**50**
**26**
**183**
**95**
Plus:
Depreciation, depletion and amortization
22
35
-
22
11
72
18
23
39
27
7
26
7
56
40
Employee
severance
costs
-
- - - - - - - - - - - -
-
-
Rehabilitation and other non-cash costs
-
10
-
1
-
1
7
2
1
2
1
2
(6)
18
3
Adjusted
for:
Minority interests
(3)
(1)

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | - | (4) | - | - | (3) | (3) | - | - | - | - |

-
-
**Total**
**production**
**costs**
**57**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **167** | **-** | **65** | **22** | **208** | **60** | **83** | **111** | **74** | **34** | **78** | **27** |

**257**
**138**
**Gold produced (000' ounces)**
(4)
**211**
**455**
**-**
**250**
**96**
**391**
**115**
**174**
**246**
**168**
**98**
**262**
**81**
**613**
**330**
**Total cash costs per ounce**
(5)
**171**
**269**
**-**
**169**
**158**
**345**
**305**
**348**
**301**
**265**
**263**
**191**
**321**
**298**
(8)
**230**
**Total production costs per ounce**
(5)
**270**
**367**
**-**
**260**

| |
|---|
| **229** |
| **532** |
| **522** |
| **477** |
| **451** |
| **440** |
| **347** |
| **298** |
| **333** |
| **419** |
| **418** |
| 123 |

124
**For the year ended December 31, 2005**
**AngloGold Ashanti operations - Total**
(in $ millions, except as otherwise noted)
**Total**
**Production costs per financial statements**
**1,642**
*Plus:*
Production costs of equity accounted joint ventures
(1)
108
*Less:*
Rehabilitation costs & other non-cash costs
(60)
*Plus:*
Inventory movement
37
Royalties
54
Related party transactions
(2)
35
*Adjusted for:*
Minority interests
(3)
(42)
Non-gold producing companies and adjustments
(41)
**Total cash costs**
**1,733**
*Plus:*
Depreciation, depletion and amortization
653
Employee severance costs
26
Rehabilitation and other non-cash costs
60
*Adjusted for:*
Minority interests
(3)
(11)
Non-gold producing companies and adjustments
(5)
**Total production costs**
**2,456**
**Gold produced (000' ounces)**
(4)
**6,166**
**Total cash costs per ounce**
(5)
**281**

**Total production costs per ounce**
(5)
**398**

*(1)*
*Production costs and related expenses of equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.*

*(2)*
*Relates solely to production costs as included in the Company's consolidated financial statements and has, accordingly, been included in total production costs and total cash costs.*

*(3)*
*Adjusting for minority interest of items included in calculation, to disclose the attributable portions only.*

*(4)*
*Attributable production only.*

*(5)*
*In addition to the operational performances of the mines, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

*(6)*
*Corporate includes non-gold producing subsidiaries.*

*(7)*
*Adjusted to exclude Ergo.*

*(8)*
*Total cash costs per ounce calculation includes heap leach inventory change.*

*(9)*
*There was no production attributable to AngloGold Ashanti in 2005.*

***Capital expenditure***
Total capital expenditure of $1,059 million, which includes $35 million relating to the fifteen-year secured capital leases for the new corporate office (Turbine Square and Turbine Hall), was recorded in the year ended December 31, 2007 compared to $817 million in the same period in 2006. This represents a $207 million, or 25 percent, increase from 2006. In South Africa, capital expenditure increased from $321 million in 2006 to $411 million in 2007, mainly due to expansion projects at Mponeng, TauTona and the ramping up at Moab Khotsong. Expenditure in Brazil decreased to $141 million in 2007 from $186 million in 2006 as a result of the Cuiabá expansion project nearing completion. In Australia, capital expenditure increased from $86 million in 2006 to $281 million in 2007, mainly as a result of the expansion at Boddington mine. At year-end, overall project progress at Boddington mine was approximately 65 percent complete, with engineering and procurement activities nearing completion.

Total capital expenditure during the year ended December 31, 2006 was $817 million compared to $722 million in 2005 being a 13 percent increase. In South Africa, capital expenditure decreased from $347 million in 2005 to $321 million in 2006, mainly due to reduced expenditure as Moab Khotsong began commercial production in 2006 and the weakening of the rand. Capital expenditure in Ghana and Guinea amounted to $97 million and $16 million, respectively, in 2006, compared to $90 million and $36 million, respectively, in 2005, mainly due to capital projects at Obuasi in Ghana and the commissioning of the CIP plant in Guinea. Expenditure in Brazil increased from $85 million in 2005 to $186 million in 2006 as a result of the Cuiabá expansion project. In Australia, capital expenditure increased from $38 million in 2005 to $86 million in 2006 mainly as a result of the underground mining project at Sunrise Dam and the commencement of expansion at Boddington mine. Capital expenditure in the USA increased from $8 million in 2005 to $13 million in 2006.

A more detailed review of capital expenditure at each of AngloGold Ashanti's operations is provided under "Item 4B.: Business overview".

**Establishment of a Black Economic Empowerment (BEE) transaction in South Africa**
On December 12, 2006, AngloGold Ashanti announced the finalization of the Bokamoso employee share ownership plan (Bokamoso ESOP) with the National Union of Mineworkers, Solidarity and United Association for employees of the South African operations. The Bokamoso ESOP creates an opportunity for the Company and the unions to ensure a closer alignment of the interest between South African based employees and the Company. Participation is restricted to those employees not eligible for participation in any other South African Share Incentive Plan.

The Company also undertook an empowerment transaction with a BEE investment vehicle, Izingwe Holdings (Proprietary) Limited (Izingwe).

The transaction gave effect to undertakings made to the Department of Minerals and Energy at the time that the Company gained its new order mining rights in August 2005. The Company undertook to establish an ESOP and a BEE transaction equivalent to at least 6 percent of the value of the Company's South African operations.

In order to facilitate this transaction the Company established a trust to acquire and administer the ESOP shares. AngloGold Ashanti allotted and issued free ordinary shares to the trust and also created, allotted and issued E ordinary shares to the trust for the benefit of employees.

The Company also created, allotted and issued E ordinary shares to Izingwe.

The key terms of the E ordinary share are:

- AngloGold Ashanti will have the right to cancel the E ordinary shares, or a portion of them, in accordance with the ESOP and Izingwe cancellation formulae, respectively;
- the E ordinary shares will not be listed;
- the E ordinary shares which are not cancelled will be converted into ordinary shares; and
- the E ordinary shares will each be entitled to receive a dividend equal to one-half of the dividend per ordinary share declared by the Company from time to time and a further one half is included in the strike price calculation.

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The average fair value of the E ordinary shares granted to employees in 2007 was R79 (2006: R105) per share. Dividends declared in respect of the E ordinary shares will firstly be allocated to cover administration expenses of the trust, whereafter it will accrue and be paid to ESOP members, pro rata to the number of shares allocated to them. At each anniversary over a five year period commencing on the third anniversary of the original 2006 award, the Company will cancel the relevant number of E ordinary shares as stipulated by a cancellation formula. Any E ordinary shares remaining in the tranche will be converted to ordinary shares for the benefit of the employees. All unexercised awards will be cancelled on May 1, 2014.

The average fair value of the E ordinary shares granted to Izingwe on December 13, 2006 was R90 per share. Dividends declared in respect of the E ordinary shares will accrue and be paid to Izingwe, pro rata to the number of shares allocated to them. At each anniversary over a five year period commencing on the third anniversary of the award, Izingwe has a six month period to instruct the Company to cancel the relevant number of E ordinary shares as stipulated by a cancellation formula. Any E ordinary shares remaining in the tranche will be converted to ordinary shares for the benefit of Izingwe. If no instruction is received at the end of the six month period, the cancellation formula will be applied automatically.

**Comparison of financial performance on a segment basis for 2007, 2006 and 2005**

The Company produces gold as its primary product and does not have distinct divisional segments in terms of principal business activity, but manages its business on the basis of different geographic segments. Therefore, information regarding separate geographic segments is provided. During 2007, the Company changed the method of allocating hedging to individual mines. In prior periods, forward contracts were allocated to each reporting segment, based on the then prevailing contractual relationship with the counterparty. Following the removal of certain counterparty restrictions and the granting of group level guarantees during 2006, the Company has applied an average received gold price across all reporting segments. The average received gold price for each mine is thus similar to the Company's average received gold price which includes realized gains/losses on non-hedge derivatives. Where applicable, the corresponding items of segment information for all earlier periods presented have been restated to reflect this. This information is consistent with the information used by the Company's Chief Operating Decision Maker in evaluating operating performance of, and making resource allocation decisions among operations.

***Revenues***

**Year ended December 31**
**(in millions)**
**2007**
**$**
**percent**
**2006**

**$**
**percent**
**2005**
**$**
**percent**
Category
of
activity
Total
revenues
Product sales
3,048
2,683
2,453
Interest, dividends and other
47
32
32
**Total**
**revenues**
**3,095**
**2,715**
**2,485**
Geographical area data
Total
revenues
South Africa
1,504
49
1,531
56
1,226
49
Argentina
130
4
118
4
101
4
Australia
379
12
309
11
210
8
Brazil
319
10
260

10
191
8
Ghana
364
12
330
12
338
14
Guinea
224
7
164
6
138
6
Mali
280
9
321
12
236
9
Namibia
54
2
51
2
36
2
Tanzania
224
7
198
7
257
10
USA
180
6
124
5
129
5
Other, including Corporate and Non-gold producing
subsidiaries
8
-
13
-

7
-
**3,666**
**3,419**
**2,869**
Less : Equity method investments included above
(280)
(9)
(321)
(11)
(236)
(9)
Less : Gains on realized non hedge derivatives included
above
(291) (9)
(383) (14)
(148) (6)
**Total**
**revenues**
**3,095 100**
**2,715 100**
**2,485 100**

In 2007, 49 percent of AngloGold Ashanti's total consolidated revenues were derived from its operations in South Africa,
compared to 56 percent in 2006, mainly as a result of the 9 percent decrease in production in the South African operations.
South Africa produced 43 percent of the global production in 2007.
In 2006, 56 percent of AngloGold Ashanti's total consolidated revenues were derived from its operations in South Africa,
compared to 49 percent in 2005, mainly as a result of the increase in the rand gold price over 2005.

*Assets*

**As at December 31**
**(in millions)**
**2007**
**$**
**percent**
**2006**
**$**
**percent**
**2005**
**$**
**percent**
Geographical area data
Total segment assets
South Africa
3,337
32
3,093
33
3,019
33
Argentina 236
2
254
3
248
3
Australia 1,183
11
805
8
737
8
Brazil 674
6
544
6
371
4
Ghana 2,155
21
2,058

21
2,104
23

| | | | | | | |
|---|---|---|---|---|---|---|
| Guinea | 371 | 4 | 357 | 4 | 349 | 4 |
| Mali | 291 (1) | 3 | 280 (1) | 3 | 309 (1) | 4 |
| Namibia | 76 | 1 | 64 | 1 | 51 | - |
| Tanzania | 1,343 | 13 | 1,382 | 15 | 1,281 | 14 |
| USA | 528 | 5 | 507 | 5 | 429 | 5 |
| Other, including Corporate, Assets held for sale and Non-gold producing subsidiaries | 187 | 2 | 169 | 1 | 215 | 2 |
| **Total segment assets** | **10,381** | **100** | **9,513** | **100** | **9,113** | **100** |

*(1)*
*Investment held.*

At December 31, 2007, 32 percent of AngloGold Ashanti's total assets were located in South Africa compared with 33 percent at the end of 2006. Operations outside of South Africa collectively accounted for approximately 68 percent of AngloGold Ashanti's total assets at December 31, 2007 compared to 67 percent at the end of the same period in 2006.

At December 31, 2006, 33 percent of AngloGold Ashanti's total assets were located in South Africa compared with 33 percent at the end of 2005. Operations outside of South Africa collectively accounted for approximately 67 percent of AngloGold Ashanti's total assets at December 31, 2006 compared to 67 percent at the end of the same period in 2005.

**Comparison of financial performance in 2007, 2006 and 2005**

**Financial performance of AngloGold Ashanti**

| Year ended December 31 | **2007** | **2006** | **2005** |
|---|---|---|---|
| Revenue | 3,095 | 2,715 | 2,485 |
| Cost and expenses | (3,806) | (2,811) | (2,848) |
| Taxation (expense)/benefit | (118) | (122) | 121 |
| Minority interest | (28) | (29) | (23) |
| Equity income in affiliates | 41 | 99 | 39 |
| Discontinued operations | 2 | 6 | (44) |
| Cumulative effect of accounting change | - | - | (22) |
| Net loss | (814) | (142) | (292) |

For more detail discussions on revenue and costs see the following explanations.

**Comparison of financial performance in 2007 with 2006**
***Revenues***
Revenues from product sales and other income increased by $380 million from $2,715 million in 2006 to $3,095 million in 2007, representing a 14 percent increase over the period. This increase was primarily due to the increase in the spot price of gold in 2007. The average spot price of gold was $697 per ounce during 2007, $93 per ounce, or 15 percent, higher than $604 per ounce, the average spot price of gold in 2006. The majority of product sales consisted of US dollar-denominated gold sales.
Total revenues from the South African operations decreased by $41 million to $1,472 million from $1,513 million realized in 2006, mainly as a result of reduced gold production at the South African operations (2,328,000 ounces in 2007 compared to 2,554,000 ounces in 2006) which more than offset the increase in gold price.
Total revenues generated by Cerro Vanguardia, the Argentinean operation increased from $118 million in 2006 to $129 million in 2007 mainly as a result of the higher gold price. The increase in revenue was partly offset by reduced gold production (204,000 ounces in 2007 compared to 215,000 ounces in 2006) and a reduction in grade recovered from 7.29 grammes per tonne in 2006 to 6.88 grammes per tonne in 2007.
The Australian operation at Sunrise Dam increased production to 600,000 ounces from 465,000 ounces in 2006. Average recovered grade increased from 3.39 grammes per tonne in 2006 to 4.86 grammes per tonne in 2007. Total revenues increased from $307 million in 2006 to $378 million in 2007.
The two operations in Brazil produced 408,000 attributable ounces compared to 339,000 ounces in 2006. The increase in production and higher gold price resulted in total revenues of $323 million in 2007 compared to $258 million in 2006.
Total revenues generated from operations situated in Ghana amounted to $364 million in 2007, compared to $330 million in 2006. The increase was mainly as a result of the higher gold price. The increase in revenue was partly offset by reduced gold production from 592,000 ounces in 2006 to 527,000 ounces in 2007.
Total revenues generated in Guinea amounted to $223 million in 2007 compared to $167 million in 2006. The increase was due to the higher gold price and an increase in gold production from 256,000 ounces in 2006 to 280,000 ounces in 2007.
Tanzania recorded total revenues of $219 million in 2007 compared to $199 million in 2006. The increase in revenue was a result of the higher gold price and an increase in gold production from 308,000 ounces in 2006 to 327,000 ounces in 2007.
***Production costs***
Production costs increased from $1,539 million in 2006 to $1,917 million in 2007, which represents a $378 million, or 25 percent increase. In South Africa, production costs increased by $191 million to $874 million in 2007 from $683 million in 2006 mainly as a result of annual wage increases and higher fuel and power costs. About 46 percent of AngloGold Ashanti's production costs were denominated in South African rands in 2007.

Production costs recorded from operations situated in Ghana, Guinea and Brazil increased from $221 million, $91 million and $89 million, respectively, in 2006 to $268 million, $136 million and $134 million, respectively, in 2007 mainly as a result of an increase in operational costs including labor, fuel, consumables, power and water costs as well as the strengthening of local currencies relative to the US dollar.

***Exploration costs***

Exploration costs increased to $117 million in 2007 from $58 million in 2006. This was mainly due to increased exploration activities at the Tropicana project in Western Australia, regional and target generation activities in Colombia, continued drilling in the Mongbwalu region of the Democratic Republic of the Congo as well as mine-based programs in South America, Ghana and Guinea. Joint ventures and partnerships with other companies facilitated additional exploration activities in Russia, China, Laos and the Philippines. For a discussion of AngloGold Ashanti's exploration activities in 2007, see "Item 4B.: Business overview – Global exploration".

***Related party transactions***

Related party transactions in 2007 amounted to a credit (representing purchases by related parties) of $16 million compared
with a credit of $6 million in 2006. This was mainly due to lower contract work generated by development activities. The
Company, which holds an equity interest of 29.8 percent in Trans-Siberian Gold plc (TSG), entered into a transaction during
the quarter ended June 30, 2007 with TSG in which two companies were acquired from TSG for a cash consideration of
$40 million. The companies acquired consist of Amikan (which holds the Veduga deposit, related exploration and mining
licenses) and AS APK (which holds the Bogunay deposit, related exploration and mining licenses). For a detailed discussion of
related party transactions, see "Item 7B.: Related party transactions".

***General and administrative***

General and administrative expenses decreased from $140 million in 2006 to $130 million in 2007, mainly due to a decrease of
$28 million in share-based payment expense being offset by an increase in labor and corporate office costs.

***Royalties***

Royalties paid by AngloGold Ashanti increased from $59 million in 2006 to $70 million paid in 2007 primarily due to higher spot
prices, with royalties in Australia, Argentina and Tanzania amounting to $11 million, $11 million and $7 million, respectively, in
2007 compared with $7 million, $11 million and $5 million, respectively, in 2006. Royalties paid in Ghana and Guinea
amounted to $40 million in 2007 compared to $33 million in 2006. Australian royalties are payable to the government as
specified in the relevant legislation in each State or Territory based on ounces produced. In Argentina, royalties are payable to
Fomicruz, a State owned company in the Santa Cruz Province, being the minority shareholder of the Cerro Vanguardia
operation calculated as a percentage of revenues. In Ghana, royalties are payable to the government at a fixed rate of
3 percent per annum based on revenue, as agreed to under the Stability Agreement entered into with AngloGold as part of the
AngloGold Ashanti business combination. In Guinea, royalties are paid to the government, Union Miniere and the International
Finance Corporation calculated as a percentage of revenues. In Tanzania, royalties for Geita, are payable to the Tanzanian
government calculated as a percentage of revenues.

***Market development costs***

Market development costs remained unchanged at $16 million. AngloGold Ashanti remains a member of the World Gold
Council (WGC) and through its membership receives assistance in all its marketing endeavors. For a detailed discussion on
market development see "Item 4B.: Business overview – Gold market development".

***Depreciation, depletion and amortization***

Depreciation, depletion and amortization expense decreased by $44 million or 6 percent, to $655 million in 2007 when
compared to $699 million recorded in 2006. This decrease was mainly due to decreases in depreciation, depletion and
amortization expense in South Africa, Ghana and the USA from $324 million, $119 million and $39 million,

respectively,
incurred in the year ended December 31, 2006 to $301 million, $91 million and $32 million, respectively, in the same period of
2007 mainly as a result of a decrease in gold production and changes in estimated lives of assets. This was partially offset by
an increase in depreciation, depletion and amortization expense in Australia which increased from $39 million incurred in the
year ended December 31, 2006 to $54 million in the same period in 2007 as a result of the increase in gold production.

***Impairment of assets***

In 2007, AngloGold Ashanti recorded impairments amounting to $1 million compared to $6 million in 2006 which related to the
impairment and write-off of various minor tangible assets and equipment.

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***Interest expense***

Interest expense decreased by $2 million from $77 million recorded in 2006 to $75 million in 2007 as a result of similar average borrowing levels in a stable interest rate environment for variable overdrafts and bank loans during 2007. A significant portion of AngloGold Ashanti's debt was denominated in US dollars in 2007.

***Accretion expense***

Accretion expense of $20 million was recorded in 2007 compared with $13 million in 2006. Accretion relates to the unwinding of discounted future reclamation obligations to present values and increases in the reclamation obligations to its future estimated payout.

***Employment severance cost***

Employment severance costs decreased to $19 million in 2007 from $22 million in 2006. The 2007 expense included retrenchment costs of $5 million in the South African region (at Great Noligwa, Kopanang, Tau Lekoa, TauTona and Mponeng) and $14 million in Ghana (at Obuasi) due to a planned reduction in workforce.

***Loss/profit on sale of assets, realization of loans, indirect taxes and other***

A loss of $10 million was recorded in 2007 compared to a profit of $36 million recorded in 2006 which consisted mainly of the reassessment of indirect taxes and royalties in Tanzania and Guinea and profit on disposal and abandonment of land, mineral rights and exploration properties in 2007.

***Non-hedge derivative loss***

A loss on non-hedge derivatives of $808 million, being derivatives not designated in formal hedge accounting relationships, was recorded in 2007 compared to a loss of $208 million in 2006 relating to the use of non-hedging instruments. The loss in 2007 is primarily the result of the revaluation of non-hedge derivatives resulting from changes in the prevailing spot gold price, exchange rates, interest rates and greater volatilities compared to 2006. Non-hedge derivatives recorded for the years ended December 31, 2007 and 2006 included:

| | **Year ended December 31,** | |
|---|---|---|
| | **2007** | **2006** |
| | **(in US Dollars, millions)** | |
| Gains on realized non-hedge derivatives | (291) | (383) |
| Loss on unrealized non-hedge derivatives | 1,099 | 591 |
| Net loss | 808 | 208 |

***Other operating items***

Other operating items, consisting of provision for loss on future deliveries of other commodities and unrealized gain/loss on other commodity physical borrowings amounted to a net credit of $16 million in 2007 compared to an expense of $16 million in 2006.

***Equity income in affiliates***

Equity income in equity method investments decreased from $99 million in 2006 to $41 million in 2007, mainly as a result of a
decrease in earnings at Yatela, Sadiola and Morila mines in Mali, which reported attributable earnings of $17 million, $10 million and $18 million, respectively, in 2007 compared to $26 million, $28 million and $37 million, respectively, in 2006. In
2007, the Company recorded an impairment loss of $14 million on its investment held in TSG.

***Taxation expense/benefit***

A net taxation expense of $118 million was recorded in 2007 compared to a net tax expense of $122 million recorded in 2006.

Charges for current tax in 2007 amounted to $191 million compared to $156 million in 2006. Charges for deferred tax in 2007
amounted to a net tax benefit of $73 million compared to a net tax benefit of $34 million in 2006. The increase in the taxation
charge in 2007 partly relates to the higher gold price and a reduction in unredeemed capital expenditure. The increase in the
deferred tax benefit over 2006 is mainly higher unrealized non-hedge derivative losses as a result of the higher gold price.

Deferred tax in 2007 include a tax benefit of $28 million arising from an increase in tax losses in Ghana and a tax expense at
$23 million as a result of a change to the estimated deferred tax rate in South Africa.

**Comparison of financial performance in 2006 with 2005**

***Revenues***

Revenues from product sales and other income increased by $230 million from $2,485 million in 2005 to $2,715 million in
2006, representing a 9 percent increase over the period. This increase was primarily due to the increase in the spot price of
gold in 2006. The average spot price of gold was $604 per ounce during 2006, $159 per ounce, or 36 percent, higher than
$445 per ounce, the average spot price of gold in 2005. The majority of product sales consisted of US dollar-denominated gold
sales.

Total revenues from the South African operations increased by $298 million to $1,513 million from $1,215 million realized in
2005, a 25 percent increase, mainly as a result of the higher gold price. The increase in revenues was partly offset by the
reduced gold production at the South African operations as both volumes (2,554,000 ounces in 2006 compared to 2,676,000 ounces in 2005) and grade decreased.

Total revenues generated by Cerro Vanguardia, the Argentinean operation increased marginally from $99 million in 2005 to
$118 million in 2006 on flat volumes. Volumes of ore processed increased, but gold produced only increased marginally by
4,000 ounces due to grade yield declines from 7.7 grammes per tonne to 7.29 grammes per tonne.

The Australian operation at Sunrise Dam increased production to 465,000 ounces from 455,000 ounces in 2005. Average
recovered grade declined by 8 percent which was offset by increased tonnage processed from the underground operation.

Total revenues increased from $208 million in 2005 to $307 million in 2006.

The two operations in Brazil produced 339,000 attributable ounces. Year-on-year volumes of ore processed increased with an increase in average grades recovered resulting in total revenues of $258 million in 2006 compared to $184 million in 2005.

Total revenues generated from operations situated in Ghana amounted to $330 million in 2006, compared to $337 million in 2005.

Total revenues generated in Guinea amounted to $167 million in 2006 compared to $137 million in 2005.

Tanzania recorded total revenues of $199 million in 2006 compared to $258 million in 2005 due to the reduction in production of nearly 50 percent due to delays in the cutback at the Nyankanga pit and weather related issues.

***Production costs***
Production costs decreased from $1,642 million in 2005 to $1,539 million in 2006, which represents a $103 million, or 6 percent
decrease. In South Africa, production costs decreased by $133 million to $683 million in 2006 from $816 million in 2005
primarily due to a continued focus on cost saving initiatives assisted by the weakening of the South African rand relative to the
US dollar. About 44 percent of AngloGold Ashanti's production costs were denominated in South African rands in 2006.
Production costs recorded from operations situated in Brazil increased from $67 million in 2005 to $89 million in 2006 primarily
due to the strengthening of the Brazilian real relative to the US dollar.
***Exploration costs***
Exploration costs increased to $58 million in 2006 from $44 million in 2005. During 2006, exploration activities in new areas
were primarily focused on the Tropicana project in Western Australia, in Colombia and the Democratic Republic of Congo.
Joint ventures and partnerships with other companies facilitated additional exploration activities in Russia, China, Laos and the
Philippines. For a discussion of AngloGold Ashanti's exploration activities in 2006, see "Item 4B.: Business overview – Global
exploration".
***Related party transactions***
Related party transactions in 2006 amounted to a credit (representing purchases by related parties) of $6 million compared
with an expense (representing purchases from related parties) of $37 million in 2005 mainly due to the change in shareholding
by Anglo American plc, which divested of approximately 20 percent of its holding in April 2006, resulting in fewer entities
fulfilling the related party definition due to the relationship changing from a subsidiary of Anglo American plc to an associate of
Anglo American plc. The Company continued to transact with Anglo American entities when price, service and quality factors
supported this. For a detailed discussion of related party transactions, see "Item 7B.: Related party transactions".
***General and administrative***
General and administrative expenses increased from $71 million in 2005 to $140 million in 2006, mainly due to $61 million
share-based payment expense included in 2006 compared to $2 million in 2005.
***Royalties***
Royalties paid by AngloGold Ashanti increased from $39 million in 2005 to $59 million paid in 2006 primarily due to higher spot
prices, with royalties in Australia, Argentina, Tanzania and the USA amounting to $7 million, $11 million, $5 million and
$2 million, respectively, in 2006 compared with $5 million, $8 million, $7 million and $4 million, respectively, in 2005. Royalties
paid in Ghana and Guinea amounted to $33 million in 2006 compared to $15 million in 2005. Australian royalties are payable to
the government as specified in the relevant legislation in each State or Territory based on ounces produced. In Argentina,
royalties are payable to Fomicruz, a State owned company in the Santa Cruz Province, being the minority shareholder

of the
Cerro Vanguardia operation calculated as a percentage of revenues. In Ghana, royalties are payable to the government at a
fixed rate of 3 percent per annum based on revenue, as agreed to under the Stability Agreement entered into with AngloGold
as part of the AngloGold Ashanti business combination. In Guinea, royalties are paid to the government, Union Miniere and the
International Finance Corporation calculated as a percentage of revenues. In Tanzania, royalties for Geita, are payable to the
Tanzanian government calculated as a percentage of revenues. In the USA, royalties are payable to a small number of private
claim holders based on ounces produced and percentage ownership of the specific claim being mined.

***Market development costs***

Market development costs increased from $13 million in 2005 to $16 million in 2006. AngloGold Ashanti remains a member of
the World Gold Council (WGC) and through its membership receives assistance in all its marketing endeavors. For a detailed
discussion on market development see “Item 4B.: Business overview – Gold market development”.

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***Depreciation, depletion and amortization***
Depreciation, depletion and amortization expense increased by $106 million or 18 percent, to $699 million in 2006 when compared to $593 million recorded in 2005. In South Africa, depreciation, depletion and amortization expense increased from $248 million in 2005 to $324 million in 2006, mainly due to the impact of Moab Khotsong mine coming into commercial production from January 1, 2006.
***Impairment of assets***
In 2006, AngloGold Ashanti recorded impairments amounting to $6 million. These related to the impairment and write-off of various minor tangible assets and equipment.
In 2005, AngloGold Ashanti recorded impairments amounting to $141 million. These related to Bibiani in Ghana of $41 million; in South Africa – mine development costs of $6 million were impaired as a review of certain properties and access development identified that they will not generate future cash flows. The tax rate concession which was granted by the government of Ghana at a rate of 30 percent in negotiations for the Ashanti business combination in 2004 amounting to $20 million was fully impaired during 2005 as the corporate tax rate in Ghana was revised down to 25 percent. Due to a change in intention to exploit certain properties in South Africa, acquired at the formation of AngloGold, AngloGold Ashanti recorded an impairment of $74 million in 2005.
***Interest expense***
Interest expense decreased by $3 million from $80 million recorded in 2005 to $77 million in 2006. The decrease in interest expense from 2005 was mainly due to higher cash resources available as a result of the higher average gold price in the year and the effects of the equity raising completed in April 2006. Mostly all of AngloGold Ashanti’s debt (exclusive of the rand denominated corporate bond and local South African borrowings) was denominated in US dollars in 2006.
***Accretion expense***
Accretion expense of $13 million was recorded in 2006 compared with $5 million in 2005. Accretion relates to the unwinding of discounted future reclamation obligations to present values and increases the reclamation obligations to its future estimated payout.
***Employment severance cost***
Employment severance costs decreased to $22 million in 2006 from $26 million in 2005. The 2006 expense included retrenchment costs of $7 million in the South African region (at Great Noligwa, Kopanang, Tau Lekoa, TauTona and Mponeng) and $15 million in Ghana (at Obuasi) due to a planned reduction in workforce.
***Profit on sale of assets, realization of loans, indirect taxes and other***
A profit on sale of assets of $36 million recorded in 2006 compared to a profit of $3 million recorded in 2005. This consists mainly of profit on the disposal of land, mineral rights and exploration properties, the recovery of loans previously written off and the reassessment of indirect taxes in Tanzania.

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***Non-hedge derivative loss***

A loss on non-hedge derivatives of $208 million, being derivatives not designated in formal hedge accounting relationships, was recorded in 2006 compared to a loss of $142 million in 2005 relating to the use of non-hedging instruments. Non-hedge derivatives recorded for the years ended December 31, 2006 and 2005 included:

| | **Year ended December 31,** | |
|---|---|---|
| | **2006** | **2005** |
| | **(in US Dollars, millions)** | |
| Gains on realized non-hedge derivatives | (383) | (148) |
| Loss on unrealized non-hedge derivatives | 591 | 277 |
| Interest rate swap | - | 13 |
| Net loss | 208 | 142 |

***Other operating items***

Other operating items, consisting of provision for loss on future deliveries of other commodities and unrealized loss on other commodity physical borrowings increased from $9 million in 2005 to $16 million in 2006, mainly due to an increase in the price of other commodities.

***Equity income in affiliates***

Equity income in equity method investments increased from $39 million in 2005 to $99 million in 2006, mainly as a result of an increase in earnings at Yatela and Sadiola mines in Mali, which reported attributable earnings of $26 million and $28 million, respectively, in 2006 compared to $5 million and $(1) million, respectively, in 2005. In 2006, the Company recorded an impairment loss of $7 million on its investment held in TSG.

***Taxation expense/benefit***

A net taxation expense of $122 million was recorded in 2006 compared to a net tax benefit of $121 million recorded in 2005.

Charges for current tax in 2006 amounted to $156 million compared to $70 million in 2005. Charges for deferred tax in 2006 amounted to a net tax benefit of $34 million compared to a net tax benefit of $191 million in 2005. The increase in the current taxation change over 2005 is mainly as a result of a reduced net loss, an increase in the effective taxation rates, the effect of non-allowable deductions mainly related to hedge losses in non-taxable jurisdictions, BEE transactions and the effect of certain foreign entities exiting their tax holidays. Deferred tax in 2006 include a tax benefit of $21 million resulting from an extension of tax losses granted by the Ghanaian Taxation Authorities which would have been forfeited during the current year as well as a tax expense at $65 million as a result of a change to the estimated deferred tax rate in South Africa, reflecting the impact of the South African mining tax formula to the decrease in the earnings at the operations in that country.

***Cumulative effect of accounting change***

Cumulative effect of accounting change was $nil in 2006 compared to $22 million in 2005.

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***Cut-off adjustments***
On September 13, 2006, the SEC staff published Staff Accounting Bulletin (SAB) No. 108, "Considering the Effects of Prior
Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 (SAB
Topic 1.N) addresses quantifying the financial statement effects of misstatements, specifically, how the effects of prior year
uncorrected errors must be considered in quantifying misstatements in the current year financial statements.
As part of the 2006 year end financial statement close process the Company quantified the balance sheet impact and
determined that it would only have a material effect in the reporting of "Payroll and related benefits", which is separately
identified on the face of the balance sheet for all years presented. The other accounts that were affected are Tangible Assets
– Mine development costs; Inventories – Gold in process; Deferred taxation; Cash and cash equivalents; Trade accounts
payable and Payroll and related benefits.
The Company previously considered the above errors to be immaterial under the rollover method and evaluated the
misstatement against the current year financial statements under both the rollover and iron curtain methods.
In accordance with the transition provisions provided in SAB 108 the cumulative effect of applying SAB 108 was recorded as
an adjustment to opening retained earnings and is summarized below:

| **(in millions)** | **$** |
|---|---|
| **Assets** | |
| Tangible Assets – Mine development costs | 3 (increase) |
| Inventories – Gold in process | 1 (increase) |
| Deferred taxation | 5 (increase) |
| Trade receivables | 5 (decrease) |
| **Liabilities** | |
| Trade accounts payable | 3 (increase) |
| Payroll and related benefits | 10 (increase) |
| Other creditors | 2 (increase) |
| **Retained earnings** | 11 (decrease) |

**5B.**
**Liquidity and capital resources**
**Operating activities**
**2007**
Net cash provided by operating activities was $561 million in 2007, 27 percent lower than the 2006 amount of $770 million. The
decrease in net cash provided by operations was mainly as a result of higher payments to suppliers, partly offset by a higher
average gold price received for the year.

Net cash outflow from operating working capital items amounted to $170 million in 2007, compared with an outflow of $32 million in 2006.

A detailed discussion of the movement in net loss is included in the comparison of 2007 with 2006 under "Item 5A: Operating results".

**2006**

Net cash provided by operating activities was $770 million in 2006, 122 percent higher than the 2005 amount of $347 million.

The increase in net cash provided by operations over that achieved in 2005 is mainly due to the higher profitability achieved as a result of the increased average gold price in 2006, compared to that in 2005, partially offset by costs increases.

Net cash outflow from operating working capital items amounted to $32 million in 2006, compared with an outflow of $13 million in 2005.

A detailed discussion of the movement in net loss is included in the comparison of 2006 with 2005 under "Item 5A: Operating results".

**Investing activities**

**2007**

Investing activities in 2007 resulted in a net cash outflow of $1,031 million compared with a net cash outflow of $611 million in 2006. The major component of cash outflows was in additions to property, plants and equipment which included capital expenditure of $1,015 million, compared to $811 million in 2006, with the major capital projects at Mponeng, TauTona, Moab Khotsong in South Africa, at Boddington mine in Australia and the Cuiabá expansion in Brazil. Cash paid for the two companies acquired from TSG amounted to $40 million in 2007.

**2006**

Investing activities in 2006 resulted in a net cash outflow of $611 million compared with a net cash outflow of $624 million in 2005. The major component of cash outflows was in additions to property, plants and equipment which included capital expenditure of $811 million, compared to $710 million in 2005, with the major capital projects at the Cuiabá mine in Brazil, the Sunrise Dam and Boddington mines in Australia.

**Financing activities**

**2007**

Net cash generated by financing activities increased by $343 million from an inflow of $119 million in 2006 to an inflow of $462 million in 2007. In 2007, drawdown's on existing and the new $1,150 million Syndicated loan facility raised $843 million and debt repayments, which included $375 million on the $700 million Syndicated loan facility, totaled $520 million.

Dividends paid increased from $132 million (39 US cents or 272 South African cents per share) in 2006 to $144 million (44 US cents or 330 South African cents per share) in 2007. AngloGold Ashanti declares interim dividends at the time of announcing its interim results and declares and pays final dividends in the following year based on the previous year's results.

**2006**

Net cash generated by financing activities decreased by $81 million from an inflow of $200 million in 2005 to an inflow of $119 million in 2006. During the year equity issues resulted in an inflow of $512 million, drawdown's on existing facilities raised $158 million and during the year debt repayments totaled $552 million.

Dividends paid decreased from $169 million (56 US cents or 350 South African cents per share) in 2005 to $132 million (39 US cents or 272 South African cents per share) in 2006. AngloGold Ashanti declares interim dividends at the time of announcing its interim results and declares and pays final dividends in the following year based on the previous year's results.

**Liquidity**

AngloGold Ashanti's revenues are derived primarily from the sale of gold produced at its mines. Cash generated by operating

activities is therefore the function of gold produced sold at a specific price. As the market price of gold can fluctuate widely,
this may negatively impact on the profitability of the Company’s operations and the cash flows generated by these operations.
The Company uses a number of products, including derivatives, to manage gold price and foreign exchange risks that arise out
of the Company’s core business activities to limit the impact on the profitability of the Company’s operations and generated
cash flows.

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AngloGold Ashanti's cash and cash equivalents increased to $477 million at December 31, 2007 compared with $471 million at
December 31, 2006. In accordance with South African Reserve Bank regulations, cash generated by South African operations
is held in rands. At December 31, 2007, approximately 34 percent of the Company's cash and cash equivalents were held in
US dollars, 44 percent were held in South African rands, 6 percent were held in Australian dollars and 16 percent were held in
other currencies.

AngloGold Ashanti's short-term debt increased to $319 million at December 31, 2007 from $33 million at December 31, 2006.

Included in the short-term debt at December 31, 2007, was:

- the fixed semi-annual coupon of 2.375 percent payable on a US dollar-based convertible bond; and
- the amount outstanding of $304 million on a rand-based corporate bond due in 2008.

AngloGold Ashanti's long-term debt increased to $1,564 million at December 31, 2007 compared with $1,472 million at
December 31, 2006. As at December 31, 2007, the Company had the following attributable borrowings outstanding:

*Unsecured loans:*

- $1,008 million is outstanding on the convertible bond (fixed semi-annual coupon of 2.375 percent per annum; the convertible bond is convertible into ADSs up to its maturity in February 2009 and is US dollar-based);
- $526 million is outstanding under the $1,150 million syndicated loan facility (interest charged at LIBOR plus 0.4 percent
per annum; the loan is repayable in December 2010 and is US dollar-based); and
- $304 million is outstanding on the corporate bond (fixed semi-annual coupon of 10.5 percent per annum; the corporate bond is repayable on August 28, 2008 and is rand-based).

*Secured capital leases:*

- $37 million is repayable to Turbine Square Two (Proprietary) Limited for buildings financed (interest charged at an implied
rate of 9.8 percent per annum, lease payments are payable in monthly installments terminating in March 2022, are rand-
based and the buildings financed are used as security for these loans);
- $5 million is repayable under the Senstar Capital Corporation loans (interest charged at an average rate of 6.9 percent per annum, the loans are repayable in monthly installments terminating in November 2009, are US dollar-based and the
equipment financed is used as security for these loans); and
- $2 million is repayable to Terex Africa (Proprietary) Limited for equipment financed (interest charged at an average rate of
9.0 percent per annum, the loan is repayable in January 2008, is US dollar-based and the equipment financed is used as
security for this loan).

*Unsecured capital leases:*

-

$1 million is repayable to Csilatina Arrendamento Mercantil S.A. (interest charged at an average rate of 5.0 percent per
annum, loans are repayable in monthly installments terminating in October 2010 and are Brazilian real-based).

As at December 31, 2007, AngloGold Ashanti's total long-term debt, including the short-term portion maturing within 2008, was
made up as follows:

| | **$ (million)** |
|---|---|
| Unsecured loans (including unsecured capital leases) | 1,839 |
| Secured capital leases | 44 |
| Total | 1,883 |
| Less: Short-term maturities | 319 |
| **Long-term debt** | **1,564** |

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Debt repayments are scheduled as follows:

| | **$ (million)** |
|---|---|
| 2008 | 319 |
| 2009 | 1,006 |
| 2010 | 528 |
| 2011 | 3 |
| 2012 | 3 |
| Thereafter | 24 |
| **Total** | **1,883** |

AngloGold Ashanti currently expects to repay debt maturing in 2008 from existing cash resources, cash generated by operations and existing credit facilities.

At December 31, 2007 the currencies in which the borrowings were denominated were as follows:

| | **$ (million)** |
|---|---|
| United States dollars | 1,391 |
| South African rands | 341 |
| Australian dollars | 150 |
| Brazilian real | 1 |
| **Total** | **1,883** |

Repayments of short-term and long-term borrowings amounted to $520 million and $nil million, respectively, in 2007.

At December 31, 2007, AngloGold Ashanti had the following undrawn under its borrowing facilities:

| | **$ (million)** |
|---|---|
| Syndicated loan ($1,150 million) – US dollar (1) | 627 |
| FirstRand Bank Limited – US dollar | 50 |
| Absa Bank Limited – US Dollar | 42 |
| Nedbank Limited – US Dollar | 2 |
| Standard Bank of South Africa Limited – Rands | 38 |
| FirstRand Bank Limited – Rands | 32 |
| Nedbank Limited – Rands | 7 |
| Absa Bank Limited – Rands | 4 |

Commerzbank AG – Rands
3
ABN Amro Bank N.V. – Rands
1
ABN Amro Bank N.V. – Euros
7
**Total undrawn**
**813**
*(1)*
*Expires December 2010.*

AngloGold Ashanti had no other committed lines of credit as of December 31, 2007.

Capital expenditure is expected to be approximately $1,262 million in 2008. AngloGold Ashanti intends to finance these capital expenditures and scheduled debt repayments in 2008 from cash on hand, cash flow from operations, existing credit facilities and, potentially, additional credit facilities or debt instruments. AngloGold Ashanti intends to refinance its convertible bond due February 2009 with the proceeds of an equity-linked instrument, the principal amount of which may exeed the existing convertible bond. The structure, size and timing of such an issue will depend upon prevailing market conditions.

AngloGold Ashanti, through its executive and treasury committees, reviews its short-, medium- and long-term funding, treasury and liquidity requirements and positions monthly. The board of directors also reviews these on a quarterly basis at its meetings.

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**Capital commitments and contingencies**
At December 31, 2007, the following significant capital commitments and contingencies are applicable to AngloGold Ashanti:

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Capital commitments and contingent liabilities of AngloGold Ashanti include total contracted capital expenditure of approximately $436 million and total authorized capital expenditure not yet contracted of approximately $809 million. The expenditure is expected to be financed from existing cash resources, cash generated by operations and debt facilities.

•

The Company has identified a number of groundwater pollution sites at its current operations in South Africa and has investigated a number of different technologies and methodologies that could possibly be used to remediate the pollution plumes. The geology of the area is typified by a dolomite rock formation that is prone to solution cavities. Polluted process water from the operations has percolated from pollution sources to this rock formation and has been transported three dimensionally, creating pollution plumes in the dolomite aquifer. Numerous scientific, technical and legal reports have been produced and the remedying of the polluted soil and groundwater is the subject of a continued research program between the University of the Witwatersrand and the Company. Subject to the technology being developed as a proven remediation technique, no reliable estimate can be made for the obligation.

•

Mineração Serra Grande S.A. (MSG), the operator of the Crixas mine in Brazil, has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export namely, one assessment for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the State of Goiás through a branch located in a different Brazilian state, it must obtain an authorization from the Goiás State Treasury by means of a Special Regime Agreement *(Termo de Acordo re Regime Especial – TARE)*. The MSG operation is co-owned with Kinross Gold Corporation. The Company's attributable share of the first assessment is approximately $39 million. Although MSG requested the *TARE* in early 2004, the *TARE*, which authorized the remittance of gold to the Company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006. In November 2006 the administrative council's second chamber ruled in favor of MSG and fully canceled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first assessment, and the Company's attributable share of the assessment is approximately $24 million. The Company believes both assessments are in violation of federal legislation on sales taxes.

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Morro Velho and AngloGold Ashanti Brasil Mineração are involved in disputes with tax authorities. These disputes involve eleven federal tax assessments including income tax, social contributions and annual property tax based on ownership of properties outside of urban perimeters (ITR). Tax authorities are claiming that the amount owing is $8 million.

•

MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes of $8 million, on gold allegedly returned from the branch in Minas Gerais to the company head office in the State of Goiás. The tax administrators rejected the Company’s appeal against the assessment. The Company is now appealing the dismissal of the case at the judicial sphere.

•

AngloGold Offshore Investments Limited, a wholly owned subsidiary of the Company, has guaranteed 50 percent ($40 million) of the Nufcor International Limited loan facility with FirstRand (Ireland) plc (formerly RMB International (Dublin) Limited). Nufcor International Limited is accounted for under the equity method.

•

The Company has provided surety in favor of the lender in respect of gold loan facilities to wholly-owned subsidiaries of Oro Group (Proprietary) Limited an affiliate of the Company. The Company has a total maximum liability, in terms of the suretyships, of R100 million ($15 million). The suretyship agreements have a termination notice period of 90 days. The probability of the non-performance under the suretyships is considered minimal, based on factors of no prior defaults, being well-established companies and recourse via general notarial bonds over the gold stocks of the subsidiaries of the Oro Group. These bonds should enable the Company to recover the majority of the guaranteed amount. The Company receives a fee from the associate for providing the surety and has assessed the possibility of a claim for non-performance.

•

Pursuant to US environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti USA has posted reclamation bonds with various federal and state governmental agencies to cover potential rehabilitation obligations in amounts aggregating approximately $48 million. The Company has provided a guarantee for these obligations which would be payable in the event of AngloGold Ashanti USA not being able to meet its rehabilitation obligations. As at December 31, 2007 the carrying value of these obligations relating to AngloGold Ashanti USA amounted to $31 million and is included in the Provision for environmental rehabilitation in the Company's consolidated balance sheet. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable federal and/or state agency. There are no recourse provisions that would enable the Company to recover from third parties any of the amounts paid under the guarantee.

- The Company has guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc regarding the issued $1,000,000,000 2.375 percent convertible bonds due 2009. The Company's obligations regarding the guarantee are direct, unconditional and unsubordinated.
- A guarantee of $526 million is provided for the $1.15 billion Syndicated loan facility. AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited each have guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited regarding the $1.15 billion Syndicated loan facility dated December 13, 2007. This Syndicated loan facility replaced in its entirety the $700 million revolving credit facility dated January 26, 2005, which was repayable in January 2008.
- The Company has issued gold delivery guarantees of $683 million to several counterpart banks in which it guarantees the due performance of its subsidiaries AngloGold (USA) Trading Company, AngloGold South America Limited and Cerro Vanguardia S.A. under their respective gold hedging agreements.
- The Company together with its 100 percent owned subsidiary AngloGold Ashanti Holdings plc has provided guarantees to several counterpart banks for the hedging commitments of its wholly-owned subsidiary Ashanti Treasury Services Limited (ATS). The maximum potential amount of future payments is all moneys due, owing or incurred by ATS under or pursuant to the hedging agreements. At December 31, 2007 the marked-to-market valuation of the ATS hedge book was negative $1,494 million.
- The Company and its 100 percent owned subsidiary AngloGold Ashanti Holdings plc have issued hedging guarantees to several counterpart banks in which they have guaranteed the due performance by Geita Management Company Limited (GMC), of its obligations under or pursuant to the hedging agreements entered into by GMC, and to the payment of all money owing or incurred by GMC as and when due. The guarantee shall remain in force until no sum remains to be paid under the hedging agreements and the Bank has irrevocably recovered or received all sums payable to it under the Hedging Agreements. The maximum potential amount of future payments is all moneys due, owing or incurred by GMC under or pursuant to the Hedging Agreements. At December 31, 2007 the marked-to-market valuation of the GMC hedge book was negative $520 million.
- With operations in several countries on several continents, many of which are emerging markets, AngloGold Ashanti is subject to, and pays annual taxes under the various tax regimes where it operates. Some of these tax regimes are defined by contractual agreements with the local government, but others are defined by the general corporate tax laws of

the country. The Company has historically filed, and continues to file, all required tax returns and to pay the taxes reasonably determined to be due. In some jurisdictions, tax authorities are yet to complete their assessments for the previous years. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company is subject to a review of its historic tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved. Management believes based on information currently to hand, that such tax contingencies have been adequately provided for, and as assessments are completed, the Company will make appropriate adjustments to those estimates used in determining amounts due.

In addition to the above, the Company has contingent liabilities in respect of certain tax assessments, claims, disputes and guarantees which are not considered to be material.

As at Decemer 31, 2007, capital commitments (1) and contingencies can be summarized over the periods shown below as follows:

**Expiration per Period**

| **Commitment (in millions)** | **Total amount $** | **Less than 1 year $** | **1 - 3 years $** | **4 - 5 years $** | **Over 5 years $** |
|---|---|---|---|---|---|
| Capital expenditure (contracted and not yet contracted) | 1,245 | 893 | 206 | 113 | 33 |
| Guarantees | 4,326 | 1,834 | 2,021 | 310 | 161 |
| Other commercial commitments | | | | | |

79
79
-
-
-
**Total**
5,650
2,806
2,227
423
194
*(1)*
*Including commitments through contractual arrangements with equity accounted joint ventures.*

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**Derivatives accounted for at fair value**
In the normal course of its operations, the Company is exposed to gold and other commodity price, currency, interest rate,
liquidity and credit risks. In order to manage these risks, the Company may enter into transactions that make use of both on-
and off-balance sheet derivatives. The Company does not acquire, hold or issue derivatives for trading purposes. A number of
derivatives, including forward purchase and sale contracts and call and put options, are used to manage gold price and foreign
exchange risks that arise out of the Company's core business activities.
The estimated fair values of financial instruments are determined at discrete points in time based on relevant market
information. These estimates involve uncertainties and cannot be determined with precision. The following table represents
the change in fair value of all derivative financial instruments:

| | **$ (million)** |
|---|---|
| Fair value of derivatives at January 1, 2007 | (2,954) |
| Derivatives realized or otherwise settled during the year | 418 |
| Fair value of other new contracts entered into during the year | (230) |
| Change in fair value of derivatives during the year (1) | (1,576) |
| **Fair value of derivatives at December 31, 2007** | (4,342) |

*(1)*
*Net losses on revaluation of derivatives.*

The fair value of the on-balance sheet derivatives at December 31, 2007 included:

| | **$ (million)** |
|---|---|
| Derivatives – current assets | 516 |
| Derivatives – long term assets | - |
| Derivatives – current liabilities | (2,782) |
| Derivatives – long term liabilities | (297) |
| **Derivatives – net liabilities** | (2,563) |

The difference between the fair value of all derivatives and the fair value of on-balance sheet derivatives represents the fair
value of off-balance sheet derivatives totaling negative $1,779 million.
The maturity of the fair value of derivatives as at December 31, 2007 was as follows:
**Fair value of derivatives at December 31**
**Source of fair value**
**(in millions)**
**Maturity**
**less than**
**1 year**

| | | | | | |
|---|---|---|---|---|---|
| | **$** | **Maturity 1 – 3 years $** | **Maturity 4 – 5 years $** | **Maturity excess of 5 years $** | **Total Fair value $** |
| Prices actively quoted | - | - | - | - | - |
| Prices provided by other external sources | - | - | - | - | - |
| Prices based on models and other valuation methods (1) | (2,266) | (209) | (62) | (26) | (2,563) |

*(1)*
*Fair value is calculated using the Black-Scholes option formula and other formulae, using ruling market prices and interest rates which are*
*obtained from international banks and are liquid and actively quoted across the full time horizon of the tenor of the hedging contracts.*

**Sensitivity analysis**

The following table shows the approximate sensitivities of the $ marked-to-market value of the hedge book at December 31,
2007 (actual changes in the timing and amount of the following variables may differ from the assumed changes below):

| **Sensitivity analysis Variables** | **Change in Rate(+)** | **Change in Fair value (1)** | **Change in Rate (-)** | **Change in Fair value (1)** |
|---|---|---|---|---|
| Currency (R/$) | 1 | (34.43) | 1 | 28.91 |
| Currency (A$/$) | 0.05 | 35.22 | 0.05 | (40.83) |
| Currency (BRL/$) | 0.10 | (3.76) | 0.10 | 3.74 |
| Gold price ($/oz) | 10 | (102.71) | 10 | 102.04 |
| US Interest Rate (percent) | 0.1 | (10.27) | 0.1 | 10.29 |
| ZAR Interest Rate (percent) | 0.1 | (0.31) | 0.1 | 0.31 |
| Aus Interest Rate (percent) | 0.1 | (0.23) | | |

0.1
0.23
Gold Interest Rate (percent)
0.1
21.76
0.1
(21.88)
*(1)*
*In $ million.*
**Recent developments**
On May 6, 2008 AngloGold Ashanti announced that it intends to proceed, subject to certain conditions, with an approximate
one-for-four renounceable rights offer, which would result in AngloGold Ashanti issuing approximately 69.4 million shares at a
minimum share price of ZAR172 raising approximately ZAR11.9 billion ($1.6 billion based on an exchange rate of ZAR7.56/$1.00 on May 5, 2008). The proposed rights offer is being fully underwritten subject to certain customary conditions. The final rights offer price will be announced at the time of the announcement of the rights offer. The proposed
rights offer will be subject to approval at a general meeting of AngloGold Ashanti shareholders to be held on May 22, 2008.
The principal purpose of the rights offer is to provide AngloGold Ashanti with additional financial resources to improve its
financial flexibility. In particular, the net proceeds from the rights offer will allow AngloGold Ashanti both to significantly
restructure and reduce its existing gold hedging position, which has adversely affected its financial performance in recent
years, while also being able to continue to fund its principal development projects and exploration growth initiatives. Pending
this use of proceeds, the net proceeds of the rights offer may, in the interim, be used by AngloGold Ashanti to reduce its
short-term borrowings and the borrowings outstanding on AngloGold Ashanti's revolving credit facility or retained as cash and
invested in accordance with AngloGold Ashanti's cash management policies.
AngloGold Ashanti has traditionally used gold hedging instruments to protect a portion of its anticipated gold sales against
declines in the market price of gold. The use of these instruments has prevented AngloGold Ashanti from fully participating in
the significant increase in the market price for gold in recent years. As at December 31, 2007, the total net delta tonnage of
AngloGold Ashanti's hedge positions was 10.39 million ounces and the total committed hedge position was 11.28 million
ounces, an increase of 0.16 million ounces and a reduction of 0.34 million ounces against the December 31, 2006, hedge
delta and hedge committed position, respectively. As at December 31, 2007, the marked-to-market value of all hedge transactions making up the hedge positions was negative $4.27 billion.
Since the beginning of 2008, prevailing spot gold prices have been significantly higher than those prevailing during 2007. If
these high prices continue to prevail, AngloGold Ashanti estimates that its gold hedging position will continue to have a
significant adverse affect upon its financial performance. AngloGold Ashanti believes that this has also negatively affected the

market price of its ordinary shares, further constraining its financial flexibility.

In order to address this issue, AngloGold Ashanti intends to early settle certain contracts otherwise due to mature in 2009 and 2010 during the course of 2008 in addition to settling contracts due to mature in 2008. Given the low committed prices of these contracts, AngloGold Ashanti expects that if these measures were implemented it would result in a realization of previously recognized losses for contracts historically recognized on Balance Sheet on a marked–to–market basis. These losses would be measured by the difference between the committed price of the contracts and the prevailing gold price at the time that these contracts are settled. If the restructuring is implemented as anticipated the received price for the remainder of 2008 should be approximately $475 per ounce assuming a gold price of $900 per ounce and gold production for the last nine months of 2008 of 3.8 million ounces.

AngloGold Ashanti also continues to give consideration to the early settlement of contracts not currently recorded on balance sheet (Normal Purchase Normal Sale Exemption (NPSE)) by means of early physical delivery. Such early physical settlement, if it were to occur, would result in a significant adverse impact on our 2008 recorded revenues in AngloGold Ashanti's income statement, as sales that would have otherwise been executed at the spot price of gold will be replaced with sales based on the earlier contracted prices of such NPSE contracts that are settled during the year. Furthermore should AngloGold Ashanti

conclude that such early physical settlement of NPSE contracts represents a tainting event, it would be required to recognize
on balance sheet the fair value of a portion of, or potentially all of, the existing NPSE contracts, which would result in a
significant adverse impact on its financial statements. No such conclusion has yet been made by AngloGold Ashanti and it is
still considering the potential impact of any such transaction.
In addition to the settlement of certain contracts during 2008 AngloGold Ashanti also intends to restructure some of the
remainder of its hedge book in order to achieve greater participation in the spot price for gold beyond 2009. The exact nature
and extent of the restructuring will depend upon prevailing and anticipated market conditions at the time, particularly the
prevailing gold price and exchange rates as well as other relevant economic factors.
If the restructuring is executed as currently anticipated, the overall impact would be to reduce the hedge book to approximately
6.25 million ounces, which would represent 8.6 percent of AngloGold Ashanti's ore reserves as at December 31, 2007. As a
result of this reduction the discount to the spot gold price realized during 2009 is estimated to be approximately 6 percent and
at a similar level thereafter assuming a gold price of $900 per ounce.

**Related party transactions**

For a detailed discussion of related party transactions, see "Item 7B.: Related party transactions".

**Recently adopted accounting policies and pending adoption of new accounting standards**

AngloGold Ashanti's accounting policies are described in note 4 to the consolidated financial statements "Significant
accounting policies". New accounting policies and recent pronouncements are described in note 4.27 to the consolidated
financial statements "Recent pronouncements".

***Recent pronouncements***

On September 15, 2006 the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value
Measurements" ("SFAS157").
SFAS157 provides enhanced guidance for using fair value to measure assets and liabilities. Under SFAS157, fair value
refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between
market participants in the market in which the reporting entity transacts. SFAS157 clarifies the principle that fair value
should be based on the assumptions market participants would use when pricing the asset or liability and establishes a
fair value hierarchy that prioritizes the information used to develop those assumptions. SFAS157 also requires that fair
value measurements be separately disclosed by level within the fair value hierarchy. On February 12, 2008, the FASB
issued FASB Staff Position No. FAS157-2, "Effective date of FASB Statement No. 157" ("the FSP"). The FSP provides a
one year deferral until January 1, 2009 for the implementation of SFAS157 for certain non-financial assets and non-
financial liabilities, except for those items that are recognized or disclosed at fair value in the financial statements on a
recurring basis (at least annually). The Company does not expect the adoption of SFAS157 to have a material impact on
the Company's financial statements.
On September 29, 2006 the FASB issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting
for Defined Benefit Pension and Other Post-retirement Plans, an amendment of FASB Statements No. 87, 88, 106 and
132(R)" ("SFAS158").

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SFAS158 represents the completion of the first phase in the FASB's post-retirement benefits accounting project and requires an entity to:

recognize in its statement of financial position an asset for a defined benefit post-retirement plan's overfunded status or a liability for a plan's underfunded status;

measure a defined benefit post-retirement plan's assets and obligations that determine its funded status as of the same day of the employer's fiscal year-end statement of financial position;

recognize as a component of accumulated other comprehensive income, net of tax, amounts accumulated at the date of adoption due to delayed recognition of actuarial gains and losses, prior service costs and credits, and transition assets and obligations; and

expand the disclosure requirements of SFAS132(R) to include disclosure of additional information in the notes to financial statements about certain effects on net periodic benefit cost in the next fiscal year that arise from delayed recognition of actuarial gains or losses, prior service costs or credits and unrecognized transition asset and obligations.

•
The Company adopted the provisions of SFAS158 in 2006, as required, except for the requirement to measure the plan
assets and benefit obligations at the fiscal year end, which is effective in fiscal years ending after December 15, 2008. The Company is currently considering processes to meet these measurement requirements of SFAS158.

•
On February 15, 2007 the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for
Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115" ("SFAS159").

•
SFAS159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting
provisions.

•
The fair value option permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date.

•
The fair value option:

may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method;

is irrevocable (unless a new election date occurs); and

is applied only to entire instruments and not to portions of instruments.

•
SFAS159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company will apply the provisions of SFAS159 from January 1, 2008. The Company does not expect the adoption of SFAS159 to have a material impact on the Company's financial statements.

In December 2007, the FASB issued FASB Statement No. 141(R), "Business Combinations" ("SFAS141(R)"). SFAS141(R) requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and
liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. SFAS141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning

of
the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. SFAS141(R) applies to all transactions or other events in which an entity (the acquirer) obtains control of one or more businesses (the acquiree), including combinations achieved without the transfer of consideration. The Company is currently evaluating the potential impact of adopting SFAS141(R) on the Company’s financial statements.

In December 2007, the FASB issued FASB Statement No. 160, “Noncontrolling Interests in Consolidated Financial Statements” (“SFAS160”).

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SFAS160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary
and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS160 is
effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier
adoption is prohibited. It shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially adopted, except for the presentation and disclosure requirements. The presentation and disclosure requirements
shall be applied retrospectively for all periods presented. The Company is currently evaluating the potential impact of adopting SFAS160 on the Company's financial statements.

In March 2008, the FASB issued FASB statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB statement No. 133" ("SFAS161").

SFAS161 applies to all derivative instruments and nonderivative instruments that are designated and qualify as hedging
instruments pursuant to paragraphs 37 and 42 of SFAS133 and related hedged items accounted for under SFAS133. SFAS161 requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations and cash flows. SFAS161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Comparative disclosures for earlier periods at initial adoption are encouraged but not required. The Company does not expect the adoption of SFAS161 to have a material impact on the Company's financial statements.

In May 2008, the FASB issued FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles"
("SFAS162").

SFAS162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. SFAS162 is effective 60 days following the United
States Securities and Exchange Commission (SEC's) approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The Company does not expect the adoption of SFAS162 to have a material impact on the Company's financial statements.

**Critical accounting policies**

AngloGold Ashanti's accounting policies are described in note 4 to the consolidated financial statements "Significant accounting policies". The preparation of the Company's financial statements in conformity with accounting principles generally
accepted in the United States of America require management to make estimates and assumptions that affect the reported
amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and
the reported amounts of revenues and expenses during the year. The following are considered to be the accounting policies
that are most critical to the Company's results of operations, financial condition and cash flows.

***Using of estimates and making of assumptions***

The most critical accounting estimates upon which AngloGold Ashanti's financial reporting depends are those requiring estimates of Proven and Probable Reserves, recoverable ounces therefrom, and/or assumptions of future gold prices. Such estimates and assumptions affect the value of inventories (which are stated at the lower of average cost or net realizable value) and the potential impairment of long-lived assets and intangibles as detailed below. These estimates and assumptions also affect the rate at which depreciation and amortization are charged to earnings. Commodity prices significantly affect the Company's profitability and cash flow. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ significantly due to the ultimate conclusion of uncertainties.

***Ore reserves and life-of-mines***

AngloGold Ashanti estimates on an annual basis its Ore Reserves at its mining operations. There are a number of uncertainties inherent in estimating quantities of reserves, including many factors beyond the Company's control. Ore reserve estimates are based upon engineering evaluations of assay values derived from samplings of drill holes and other openings.

Additionally, declines in the market price of gold may render certain reserves containing relatively lower grades of mineralization uneconomic to mine. Further, availability of permits, changes in operating and capital costs, and other factors could materially and adversely affect Ore Reserves. The Company uses its ore reserve

for mine depreciation and closure rates, as well as in evaluating mine asset impairments. Changes in ore reserve estimates could significantly affect these items. At least annually, the Company reviews mining schedules, production levels and asset lives in the Company’s life-of-mine planning for all of the Company’s operating and development properties. Significant changes in the life-of-mine plans may occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices. Based on the life-of-mine analysis the Company reviews its accounting estimates and adjusts depreciation, amortization, reclamation costs and evaluation of each mine for impairment where necessary. Accordingly, this analysis and the estimates made therein have a significant impact on the Company’s operating results.

***Drilling and related costs***

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit that contain proven and probable reserves are exploration expenditures and are expensed as incurred. Drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are capitalized when management determines that there is sufficient evidence that the expenditure will result in a future economic benefit to the company in the accounting period when the expenditure is made. Management evaluates whether or not there is sufficient geologic and economic certainty of being able to convert a residual mineral deposit into a proven and probable reserve at a development stage or production stage mine, based on the known geologic and metallurgy, existing mining and processing facilities, operating permits and environmental programmes. Therefore prior to capitalizing such costs, management determines that the following conditions have been met:

a. There is a probable future benefit;

b. AngloGold Ashanti can obtain the benefit and control access to it; and

c. The transaction or event giving rise to it has already occurred.

The Company understands that there is diversity in practice within the mining industry, in that some companies expense the drilling and related costs incurred to define and delineate residual mineral deposits that have not been classified as proven and probable reserves at a development stage or production stage mine. Had AngloGold Ashanti expensed such costs as incurred, net income, earnings per share and retained earnings would have been lower by approximately the following amounts:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Net income ($ millions) | 1 | 12 | |

13
Earnings per share
(1)
(cents)
-
5
5
Retained income – January 1 ($ millions)
59
47
34
Retained income – December 31 ($ millions)
60
59
47
*(1)*
*Impact per basic and diluted earnings per common share.*
***Accounting for derivatives***
The Company accounts for derivative contracts in accordance with Statement of Financial Accounting Standards No. 133,
"Accounting for Derivative Instruments and Hedging Activities" ("SFAS133") as amended.
SFAS133 requires all contracts, which meet the definition of a derivative, to be recognized on the balance sheet as either
assets or liabilities and recorded at fair value. Gains or losses arising from remeasuring derivatives to fair value each period
are to be accounted for either in the income statement or in other comprehensive income, depending on the use and
designation of the derivative and whether it qualifies for hedge accounting. The key criterion, which must be met in order to
qualify for hedge accounting, is that the derivative must be highly effective in offsetting the change in the fair value or cash
flows of the hedged item.
Contracts that meet the criteria for hedge accounting are designated as the hedging instruments hedging the variability of
forecasted cash flows from the sale of AngloGold Ashanti's production into the spot market, and are classified as cash flow
hedges under SFAS133. Where a derivative qualifies as the hedging instrument in a cash flow hedge under SFAS133, gains
and losses on the derivative, to the extent effective, are deferred in other comprehensive income and reclassified to earnings
as product sales when the hedged transaction occurs. The ineffective portion of changes in fair value is reported in earnings
as gains or losses on non-hedge derivatives in the period in which they occur.

for mine depreciation and closure rates, as well as in evaluating mine asset impairments. Changes in ore reserve estimates could significantly affect these items. At least annually, the Company reviews mining schedules, production levels and asset lives in the Company’s life-of-mine planning for all of the Company’s operating and development properties. Significant changes in the life-of-mine plans may occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices. Based on the life-of-mine analysis the Company reviews its accounting estimates and adjusts depreciation, amortization, reclamation costs and evaluation of each mine for impairment where necessary. Accordingly, this analysis and the estimates made therein have a significant impact on the Company’s operating results.

***Drilling and related costs***

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit that contain proven and probable reserves are exploration expenditures and are expensed as incurred. Drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are capitalized when management determines that there is sufficient evidence that the expenditure will result in a future economic benefit to the company in the accounting period when the expenditure is made. Management evaluates whether or not there is sufficient geologic and economic certainty of being able to convert a residual mineral deposit into a proven and probable reserve at a development stage or production stage mine, based on the known geologic and metallurgy, existing mining and processing facilities, operating permits and environmental programmes. Therefore prior to capitalizing such costs, management determines that the following conditions have been met:

a. There is a probable future benefit;

b. AngloGold Ashanti can obtain the benefit and control access to it; and

c. The transaction or event giving rise to it has already occurred.

The Company understands that there is diversity in practice within the mining industry, in that some companies expense the drilling and related costs incurred to define and delineate residual mineral deposits that have not been classified as proven and probable reserves at a development stage or production stage mine. Had AngloGold Ashanti expensed such costs as incurred, net income, earnings per share and retained earnings would have been lower by approximately the following amounts:

| | **2007** | **2006** | **2005** |
|---|---|---|---|
| Net income ($ millions) | 1 | 12 | |

13
Earnings per share
(1)
(cents)
-
5
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Retained income – January 1 ($ millions)
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Retained income – December 31 ($ millions)
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*(1)*
*Impact per basic and diluted earnings per common share.*
***Accounting for derivatives***
The Company accounts for derivative contracts in accordance with Statement of Financial Accounting Standards No. 133,
"Accounting for Derivative Instruments and Hedging Activities" ("SFAS133") as amended.
SFAS133 requires all contracts, which meet the definition of a derivative, to be recognized on the balance sheet as either
assets or liabilities and recorded at fair value. Gains or losses arising from remeasuring derivatives to fair value each period
are to be accounted for either in the income statement or in other comprehensive income, depending on the use and
designation of the derivative and whether it qualifies for hedge accounting. The key criterion, which must be met in order to
qualify for hedge accounting, is that the derivative must be highly effective in offsetting the change in the fair value or cash
flows of the hedged item.
Contracts that meet the criteria for hedge accounting are designated as the hedging instruments hedging the variability of
forecasted cash flows from the sale of AngloGold Ashanti's production into the spot market, and are classified as cash flow
hedges under SFAS133. Where a derivative qualifies as the hedging instrument in a cash flow hedge under SFAS133, gains
and losses on the derivative, to the extent effective, are deferred in other comprehensive income and reclassified to earnings
as product sales when the hedged transaction occurs. The ineffective portion of changes in fair value is reported in earnings
as gains or losses on non-hedge derivatives in the period in which they occur.

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All other contracts not meeting the criteria for the normal purchases and sales or hedge accounting, as defined in SFAS133,
are recorded at their fair market value, with changes in value at each reporting period recorded in earnings as gains and losses
on non-hedge derivatives.
The estimated fair values of derivatives are determined at discrete points in time based on the relevant market information.
These estimates are calculated with reference to the ruling market prices, interest rates and volatilities using the Black -
Scholes option formula.
AngloGold Ashanti does not acquire, hold or issue derivative instruments for trading purposes. A number of products,
including derivatives, are used to manage gold price and foreign exchange risks that arise out of the Company's core business
activities. Forward purchase and sale contracts and call and put options are used by the Company to manage its exposure to
gold price and currency fluctuations.
See "Item 5E.: Off-balance sheet arrangements" for a description of the normal purchase and normal sale exempt contracts
accounting treatment.

***Revenue recognition***

AngloGold Ashanti's revenues are derived primarily from the sale of gold produced at its mines. Revenue from product sales is
recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the
seller's price to the buyer is fixed or determinable and collectability is reasonably assured. Gold is a liquid commodity that is
dealt with on the international markets, and gold produced by the Company's mining operations is processed to saleable form
at various precious metals refineries.

***Contingencies***

AngloGold Ashanti accounts for contingencies in accordance with SFAS No. 5, "Accounting for Contingencies". SFAS 5
requires the recording of an estimated loss for a loss contingency when information available indicates that it is probable that
an asset has been impaired or a liability has been incurred, and the amount of the loss can be reasonably estimated.
Accounting for contingencies such as legal and income tax matters requires the use of judgments to determine the amount to
be recorded in the financial statements. By their nature, contingencies will only be resolved when one or more future events
occur or fail to occur and typically, those events will occur a number of years into the future. The Company assess such
contingent liabilities, which inherently involves the exercise of significant management judgment and estimates of the outcome
of future events. Also, see "Taxation" discussed below.

***Impairment of long-lived assets***

AngloGold Ashanti's long-lived assets include property, plant and equipment, acquired properties, goodwill and other tangible
assets. In assessing, the potential impairment of its long-lived assets held for use the Company must make assumptions
regarding estimated future cash flows and other factors relating to the respective assets. To the extent that the carrying

value
of the long-lived asset as recorded in the consolidated financial statements exceeds the undiscounted cash flows, an impairment charge is recognized in the consolidated financial statements based on the fair value of the asset.
***Impairment of goodwill***
Beginning January 1, 2002, SFAS142 requires goodwill to be reviewed for impairment rather than amortized and that intangible
assets with finite useful lives other than goodwill be amortized over their useful lives. In accordance with the provisions of
SFAS142 AngloGold Ashanti performed a transitional impairment test for each reporting unit and performed its annual
impairment review during the fourth quarter of 2002. The Company performs impairment tests at least annually during the
fourth quarter and whenever certain indicators of impairment exist. The Company's reporting units are generally consistent
with the operating mines underlying the segments identified in note 29 to the consolidated financial statements "Segment and
Geographical Information".

***Taxation***
AngloGold Ashanti follows the liability method of accounting for taxation whereby the company recognizes the tax consequences of temporary differences by applying current statutory tax rates applicable to future years to differences between financial statement amounts and the tax bases of certain assets and liabilities. Changes in deferred tax assets and
liabilities include the impact of any tax rate changes enacted during the year. Deferred tax is estimated at the future average
anticipated taxation rates at which temporary differences are expected to reverse. Future average anticipated taxation rates
are determined from revenue and expenditure outlined in life-of-mine business plans that are revised annually. When a deferred tax asset arises the Company reviews the asset for recoverability and establishes a valuation allowance where the
Company determines it is more likely than not that such an asset will not be realized. These determinations are based on the
projected realization of tax allowances and tax losses. If these tax assets are not to be realized, an adjustment to the valuation
allowance would be required, which would be charged to income in the period that the determination was made. If the Company determines that it would be able to realize tax assets in the future, in excess of the recorded amount thereof, an
adjustment to reduce the valuation allowance would be recorded as a credit to income in the period that the determination is
made. Management classifies taxes payable based on the likelihood of the amount required to be settled within twelve months, which are then reported within current liabilities. All other taxes payable are recorded within non-current assets.
***Provision for environmental rehabilitation***
AngloGold Ashanti's mining and exploration activities are subject to various laws and regulations governing the protection of
the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which
they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes
to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this
provision. Such changes in Mineral Reserves could similarly affect the useful lives of assets depreciated on a straight-line-
basis, where those lives are limited to the life of mine.
***Share-based payments***
AngloGold Ashanti issues equity-settled share-based payments to certain employees. Equity-settled share-based payments
are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value
determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting
period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-
based vesting conditions.
Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based
on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

***Pension plans and post-retirement medical aid obligations***

The determination of AngloGold Ashanti's obligation and expense for pension and provident funds, as well as post-retirement health care liabilities, depends on the selection of certain assumptions used by actuaries to calculate amounts. These assumptions are described in note 28 to the consolidated financial statements "Employee benefit plans" and include, among others, the discount rate, the expected long-term rate of return of plan assets, health care inflation costs and rates of increase in compensation costs. While the Company believes that these assumptions are appropriate, significant changes in the assumptions may materially affect pension and other post-retirement obligations as well as future expenses, which may result in an impact on earnings in the periods that the changes in the assumptions occur.

The main assumptions for 2007 relating to the most significant defined benefit plan were the discount rate, the expected return on plan assets and the compensation and pension plan inflation rates. The discount rate was determined using the South African bond yield rate (on the "benchmark" R186 bond) as a guide and adjusted for the taxation effects on pension plans.

The assumed level of salary increases relative to inflation were advised by the AngloGold Ashanti directors as well as the AngloGold Ashanti Human Resources department. The expected return on plan assets were based on the market performance of the underlying assets. For inflation targets the published Consumer Price Index (CPI) by the Department of Statistics as well as the South African Reserve Bank inflation target were used as a guide. Pension increases were assumed to be at 90 percent of the assumed inflation rate, based on the respective Fund's pension increase policy.

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***Effects on results of operations***

Company and plan participants' contributions to the defined benefit funds are disclosed in note 28 to the consolidated financial statements "Employee benefit plans". The total Company contributions to defined contribution plans for the years ended December 31, 2007, 2006 and 2005 amounted to $51 million, $40 million and $31 million, respectively.

***Change in pension trends***

The trend of the expected return on the plan assets is higher (6.10 percent) for the year ended December 31, 2007 when compared to 2006. Based on the 2006 estimated return of 10.50 percent on the defined benefit plan assets, the return for 2007 would amount to $28 million compared to the actual 2007 return of $27 million. The long-term compensation and pension inflation increases estimated in 2006 at 5.5 percent and 4.28 percent respectively have increased for compensation increases to 6.0 percent and increased for pension increases to 4.73 percent respectively, which is in line with current economic indicators.

***Sensitivity analysis***

***Ore on Leach Pads***

It is not the policy of AngloGold Ashanti to consider the sensitivity of the accounting figures to different assumptions. The actual short-term salary inflation rate used for the 2007 valuation was a rate of 8 percent and the long-term salary inflation rate was 6 percent, which is in line with the actual average increases granted and the target Consumer Price Index indicated by the South African Reserve Bank. For each 1 percent point variance in the actual return on the plan assets, the value in growth will vary by $3 million.

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The recovery of gold from certain oxide ores is achieved through the heap leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting "pregnant" solution is further processed in a process plant where the gold is recovered. For accounting purposes, costs are added to leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to mining operations. Costs are removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on metallurgical testing and ore type). Leach pad production cycles vary from several months to multiple years. In operations with multiple year leach cycles, the majority (greater than 65 percent) of the placed recoverable ounces are recovered in the first year of leaching, with declining amounts each year thereafter until the leaching process is

complete.
Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on
pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits
the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and
the engineering estimates are refined based on actual results over time. Historically, AngloGold Ashanti's operating results
have not been materially impacted by variations between the estimated and actual recoverable quantities of gold on its leach
pads. For operations with long-term leach production cycles, variations in recovery estimates from new metallurgical data or
production variances would be accounted for as an adjustment to the recoverable ounces and the average cost per
recoverable ounce of gold on the leach pad. Variations between actual and estimated quantities resulting from changes in
assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.
The ultimate recovery of gold from a pad will not be known until the leaching process has been concluded. Based on current
mine plans, the Company expects that current leaching operations will terminate at dates ranging from 2011 to 2020.
Feasibility studies in North America indicate that in terms of the mine life extension project at Cripple Creek leaching activities
could extend to 2030.

***Effects on results of operations***
Company and plan participants' contributions to the defined benefit funds are disclosed in note 28 to the consolidated financial
statements "Employee benefit plans". The total Company contributions to defined contribution plans for the years ended December 31, 2007, 2006 and 2005 amounted to $51 million, $40 million and $31 million, respectively.
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2007 would amount to $28 million compared to the actual 2007 return of $27 million. The long-term compensation and pension
inflation increases estimated in 2006 at 5.5 percent and 4.28 percent respectively have increased for compensation increases
to 6.0 percent and increased for pension increases to 4.73 percent respectively, which is in line with current economic indicators.
***Sensitivity analysis***
***Ore on Leach Pads***
It is not the policy of AngloGold Ashanti to consider the sensitivity of the accounting figures to different assumptions. The actual
short-term salary inflation rate used for the 2007 valuation was a rate of 8 percent and the long-term salary inflation rate was
6 percent, which is in line with the actual average increases granted and the target Consumer Price Index indicated by the
South African Reserve Bank. For each 1 percent point variance in the actual return on the plan assets, the value in growth will
vary by $3 million.
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The recovery of gold from certain oxide ores is achieved through the heap leaching process. Under this method, ore is placed
on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting
"pregnant" solution is further processed in a process plant where the gold is recovered. For accounting purposes, costs are
added to leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to
mining operations. Costs are removed from the leach pad as ounces are recovered in circuit at the leach plant based on the
average cost per recoverable ounce of gold on the leach pad.
The engineering estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads
(measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery
percentage (based on metallurgical testing and ore type). Leach pad production cycles vary from several months to multiple
years. In operations with multiple year leach cycles, the majority (greater than 65 percent) of the placed recoverable ounces
are recovered in the first year of leaching, with declining amounts each year thereafter until the leaching process is

complete.
Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Historically, AngloGold Ashanti's operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold on its leach pads. For operations with long-term leach production cycles, variations in recovery estimates from new metallurgical data or production variances would be accounted for as an adjustment to the recoverable ounces and the average cost per recoverable ounce of gold on the leach pad. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.
The ultimate recovery of gold from a pad will not be known until the leaching process has been concluded. Based on current mine plans, the Company expects that current leaching operations will terminate at dates ranging from 2011 to 2020.
Feasibility studies in North America indicate that in terms of the mine life extension project at Cripple Creek leaching activities could extend to 2030.

The costs of materials currently contained on the leach pad are reported as a separate line item apart from inventory. As at December 31, 2007, $49 million was classified as short term compared with $46 million as at December 31, 2006 as the Company expects the related gold to be recovered within twelve months. The short term portion of materials on the leach pad is determined by multiplying the average cost per ounce in inventory, by the expected production ounces for the next twelve months. Based on data gathered and analyzed from heap leach pad drilling results, and other studies and analysis completed, short-term heap leach pad inventory occurs in two forms: (1) gold recoverable but yet to be dissolved (i.e. gold still in the ore), and (2) gold recoverable from gold dissolved in solution within the leach pad (i.e. pore water). This estimate calculation was used in determining the short term portion of materials on the leach pad as at December 31, 2007. As at December 31, 2007, $190 million was classified as long term compared with $149 million as at December 31, 2006.

**5C.**

**Research and development, patents and licenses, etc.**

For a detailed discussion, see "Item 4B.: Business overview – Research and development".

**5D.**

**Trend information**

*Outlook.* Gold production for 2008 is forecast to be between 4.9 million and 5.1 million ounces subject to stability and availability of power in South Africa and other factors.

Capital expenditure is expected to be approximately $1,262 million in 2008 (2007: $1,059 million), of which 34 percent relates to the Australia region, primarily for the development of Boddington, 26 percent to South Africa, 14 percent to Ghana and 10 percent to Brazil.

**5E.**

**Off-balance sheet arrangements**

AngloGold Ashanti does not engage in off-balance sheet financing activities, and does not have any off-balance sheet debt obligations, special purpose entities or unconsolidated affiliates. The most significant off-balance sheet items are normal purchase and normal sale exempt contracts and unaccrued future rehabilitation obligations, each of which is discussed below.

*Normal purchase and normal sale exempt contracts*

A number of derivatives are used to manage gold price risks that arise out of the group's core business activities. Gold pricing contracts that meet the SFAS138 exemption for Normal Purchase and Normal Sale do not appear on the balance sheet. These agreements are accounted for as sales contracts with the proceeds under the contract being recorded in earnings at the date of settlement by physical delivery. These off-balance sheet contracts are managed as part of AngloGold Ashanti's gold price risk management activities and at December 31, 2007 had a marked-to-market value of negative $1,779 million. All other derivatives are recognized on the balance sheet at fair value. See "Item 11.: Quantitative and qualitative disclosures about market risk" and note 26 to the consolidated financial statements "Financial risk management activities".

*Future rehabilitation liability*

The unaccrued portion of the future rehabilitation liability is an off-balance sheet obligation. See note 21 to the consolidated
financial statements "Provision for environmental rehabilitation".

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**5F.**

**Tabular disclosure of contractual obligations**

As at December 31, 2007 AngloGold Ashanti had the following known contractual obligations:

| **Contractual Obligations** (7) **(in millions)** | **Total $** | **Less than 1 year $** | **1-3 years $** | **3-5 years $** | **More than 5 years $** |
|---|---|---|---|---|---|
| Long-term debt obligations including interest (1) | 2,051 | 373 | 1,599 | 8 | 71 |
| Capital lease obligations | 87 | 8 | 11 | 8 | 60 |
| Operating lease obligations | 13 | 11 | 2 | - | - |
| Purchase obligations | | | | | |
| - Contracted capital expenditure (2) | 436 | 413 | 23 | - | - |
| - Other purchase obligations (3) | 807 | 437 | | | |

191
139
40
Environmental rehabilitation costs
(4)
1,188
28
59
46
1,055
Derivatives
(5)
4,342
2,745
996
488
113
Pensions and other post retirement medical
obligations
(6)
185
14
28
30
113
**Total** **9,109**
**4,029**
**2,909**
**719**
**1,452**
*(1)*
*Interest calculations are at the rate existing at the year end. Actual rates are set at floating rates for some of the debt (Refer Note 20 of*
*Item 18).*
*(2)*
*Represents contracted capital expenditure for which contractual obligations exist. Amounts stated include commitments of equity*
*accounted joint ventures.*
*(3)*
*Other purchase obligations represent contractual obligations for mining contract services, purchase of power, supplies, consumables,*
*inventories, explosives and activated carbon. Amounts stated include purchase obligations of equity accounted joint ventures.*
*(4)*
*Operations of gold mining companies are subject to extensive environmental regulations in the various jurisdictions in which they operate.*
*These regulations establish certain conditions on the conduct of operations by AngloGold Ashanti. Pursuant to environmental regulations,*
*AngloGold Ashanti is also obligated to close their operations and reclaim and rehabilitate the lands upon which it conducted its mining and*
*gold recovery operations. The present estimated closure costs at existing operating mines and mines in various stages*

*of closure are*
*reflected in this table. For more information of environmental rehabilitation obligations, see "Item 4D.: Property, plants and equipment –*
*Sustainable development : Safety, Health, environment and social development". Amounts stated include a total estimated liability of*
*$29 million in respect of equity accounted joint ventures.*
*(5)*
*Estimated fair value of all derivatives. Also see "Item 5B.: Liquidity and capital resources – Derivatives accounted for at fair value".*
*Amounts stated include derivatives of equity accounted joint ventures.*
*(6)*
*Represents payments for unfunded plans or plans with insufficient funding.*
*(7)*
*The Company is unable to determine the years, if any, that the resolution of its uncertain tax liabilities will result in a cash flow.*

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**Item 6: Directors, senior management and employees**
**6A.**
**Directors and senior management**
**Directors**
AngloGold Ashanti has a unitary board structure which, at the date of this report, comprises two executive directors and ten
non-executive directors. Certain information with respect to AngloGold Ashanti's directors as at December 31, 2007 is set forth
below:

| **Name** | **Age** | **Position** | **Year first appointed (1)** |
|---|---|---|---|
| Mark Cutifani | 49 | Executive director and chief executive officer | 2007 |
| Srinivasan Venkatakrishnan (Venkat) | 42 | Executive director and chief financial officer | 2005 |
| Russell P. Edey (2)(3) | 65 | Independent non-executive director and chairman | 1998 |
| Thokoana J. (James) Motlatsi (4) | 56 | Independent non-executive director and deputy chairman | 1998 |
| Frank B. Arisman (2) | 63 | Independent non-executive director | 1998 |
| Reginald E. Bannerman | 73 | Independent non-executive director | 2006 |
| Elisabeth le R. Bradley (2) | 69 | Independent non-executive director | 1998 |
| Joseph H. Mensah (2) | 79 | Independent non-executive director | |

2006
Wiseman L. Nkuhlu
(2)
63
Independent non-executive director
2006
Sipho M Pityana
48
Independent non-executive director
2007
William (Bill) A. Nairn
(5)(6)
63
Non-independent non-executive director
2001
Simon R. Thompson
(6)
48
Non-independent non-executive director
2004

*(1)*
*Directors serve for a period of three years unless re-elected. At each annual general meeting, directors appointed since the previous annual general meeting are required to retire, but are eligible for re-election. In addition, one-third of the board of directors must retire according to seniority or by lot but may be re-elected.*
*(2)*
*Member of the audit and corporate governance committee.*
*(3)*
*Appointed as chairman with effect from May 1, 2002.*
*(4)*
*Appointed as deputy chairman with effect from May 1, 2002.*
*(5)*
*Appointed to board in January 2000, resigned from board and appointed as alternate in October 2000. Re-appointed to the board in May 2001.*
*(6)*
*Following their departure from Anglo American plc, Messrs Nairn and Thompson were requested to remain on the AngloGold Ashanti board, which request they duly accepted. Due to their historical relationship with Anglo American plc, they are not considered independent and their independence will be determined after a three-year cooling-off period as required by both King II and the Sarbanes Oxley Act.*

The following movements to the board of directors have taken place during the period January 1, 2007 to December 31, 2007:

**Executive directors:**

Mr RM Godsell (CEO) retired from the board effective September 30, 2007.
Mr M Cutifani was appointed to the board on September 17, 2007 and as CEO effective October 1, 2007.
Mr R Carvalho Silva resigned from the board effective September 30, 2007.
Mr NF Nicolau resigned from the board effective November 12, 2007 and company on January 31, 2008.

**Non-executive directors:**

Mr SM Pityana was appointed to the board effective February 13, 2007 and was re-elected by shareholders at the annual general meeting held on May 4, 2007.

Dr SE Jonah resigned from the board effective February 12, 2007.
Mr CB Brayshaw retired from the board effective May 5, 2007.
Mr AJ Trahar retired from the board effective May 5, 2007.
Mrs C Carroll was appointed to the board effective May 5, 2007 and resigned from the board effective October 9, 2007.
Mr R Médori resigned from the board effective October 9, 2007.

**Alternate directors:**

Mr AH Calver (alternate to Mr WA Nairn) resigned as alternate effective January 1, 2007.
Mr PG Whitcutt (alternate to Mr R Médori) resigned as alternate effective October 9, 2007 following Mr Médori's resignation.

The following directors who retired by rotation at the annual general meeting held on May 6, 2008 in terms of the articles of association
were all re-appointed:

- Dr TJ Motlatsi, Mr WA Nairn and Mr SM Pityana.

Mrs E Bradley who retired by rotation did not make herself available for re-election and subsequently retired from the board following
the annual general meeting on May 6, 2008.
In addition to the abovementioned directors, Mr M Cutifani, who was appointed as a director during the year, was appointed at the
annual general meeting.
There has been no change in the offices of the vice president – compliance and corporate administration and the company secretary.

**The board of directors**

**Mr M Cutifani** (49) **—** BE (Min. Eng)

***Chief Executive Officer***

Mark Cutifani was appointed to the board of AngloGold Ashanti on September 17, 2007. He was appointed Chief Executive
Officer, effective October 1, 2007, following the retirement of Bobby Godsell. Prior to joining AngloGold Ashanti, Mark held the
position of Chief Operating Officer at CVRD Inco where he was responsible for Inco's global nickel business. He has been
involved in the mining industry since 1976, and has considerable experience in gold mining.

**Mr S Venkatakrishnan (Venkat)** (42)

BCom, ACA (ICAI)

***Chief Financial Officer***

Venkat was the finance director of Ashanti Goldfields Company Limited from 2000 until that company's merger with AngloGold
in 2004. Prior to joining Ashanti, Venkat was a director in the Reorganisation Services Division of Deloitte & Touche in London.
He was appointed to the board in August 2005.

**Mr RP Edey** (65)

FCA

***Chairman and independent non-executive director***

Russell Edey was appointed to the board in April 1998, as deputy chairman in December 2000 and as chairman in May 2002.
Based in the United Kingdom, he is a non-executive director of Old Mutual plc, a member of the Conseil de Surveillance of
Paris Orleans SA and a non-executive director of a number of companies within the N M Rothschild group.

**Dr TJ Motlatsi** (56) Hon DSoc Sc (Lesotho)

***Deputy Chairman and independent non-executive director***

James Motlatsi was appointed to the AngloGold board in April 1998 and as deputy chairman in May 2002. He has been
associated with the South African mining industry since 1970 and is a past president of the National Union of Mineworkers. He
is executive chairman of TEBA Limited.

**Mr FB Arisman** (63)

MSc (Finance)

***Independent non-executive director***

Frank Arisman was appointed to the board in April 1998. He resides in New York and retired, after 32 years of

service, from JP
Morgan Chase, where he held the position of managing director.

**Mr RE Bannerman** (73)
MA (Oxon), LLM (Yale)
***Independent non-executive director***

Reginald Bannerman has been in law practice since 1958 and is currently the principal partner at Messrs Bruce-Lyle, Bannerman & Thompson Attorneys in Ghana. He is a member of the General Legal Council of Ghana and a member of the board of the Valco Trust Fund, the largest privately run trust in Ghana. A former lecturer in law at the Ahmadu Bello University in Nigeria, he was also formerly the mayor of Accra, the capital city of Ghana. Mr Bannerman was appointed to the board in February 2006.

**Mrs E Le R Bradley** (69)
BSc, MSc
***Independent non-executive director***

Elisabeth Bradley was appointed to the board in April 1998. She is non-executive chairman of Wesco Investments Limited and Toyota South Africa (Proprietary) Limited, and a director of a number of other companies. She is deputy chairman of the South African Institute of International Affairs. Mrs Bradley retires from the board at the annual general meeting to be held on May 6, 2008. Mrs Bradley retired from the board on May 6, 2008.

**Mr JH Mensah** (79)
MSc (Economics)
***Independent non-executive director***
Joseph Mensah, who holds an MSc in Economics from London University, has extensive experience in international and local economic management. Formerly Minister of Finance and Economic Planning and then Senior Minister in the government of Ghana, he is now the chairman of the National Development Planning Commission and a member of the Ghana Parliament representing the Sunyani East constituency. He joined the board with effect from August 4, 2006.

**Mr WA Nairn** (63) BSc (Mining Engineering)
***Non-independent non-executive director***
Bill Nairn has been a member of the board since January 2000. He was re-appointed to the board in May 2001, having previously been alternate director to Tony Trahar. He was group technical director of Anglo American plc, prior to his retirement in 2004.

**Prof WL Nkuhlu** (63)
BCom, CA (SA), MBA
***Independent non-executive director***
Wiseman Nkuhlu, who holds a BCom degree from the University of Fort Hare, is a Chartered Accountant with the South African Institute of Chartered Accountants and is a past national president of that institute. He also holds an MBA from the University of New York and is a respected South African academic, professional and business leader. Professor Nkuhlu was appointed to the board and deputy chairman of the Audit and Corporate Governance Committee with effect from August 4, 2006, and assumed chairmanship of the committee with effect from May 5, 2007 following the retirement of Mr CB Brayshaw.

**Mr SM Pityana** (48)
BA (Hons) (Essex), MSc (London)
***Independent non-executive director***
Sipho Pityana was appointed to the board with effect from February 13, 2007. He is the executive chairman of Izingwe Holdings (Proprietary) Limited and has occupied strategic roles in both the public and private sectors, including the positions of director general of the national departments of Labour and Foreign Affairs. He was formerly a senior executive of Nedbank and is currently a non-executive director of several companies.

**Mr SR Thompson** (48)
MA (Geology)
***Non-independent non-executive director***
Simon Thompson was appointed to the board in 2004. He is a non-executive director of UC Rusal and was previously a director of Anglo American plc, where he was chairman of the Base Metals Division, the Exploration Division and the Tarmac Group.

In terms of the company's memorandum and articles of association, there is no mandatory resignation age for directors.

**Executive committee**

This committee, chaired by Mr Cutifani, the new chief executive officer, since his appointment in October 2007, is responsible
for overseeing the day-to-day management of the company's affairs and for executing the decisions of the board. The committee meets at least monthly and is actively involved in the strategic review of the company's values, safety performance,
operation and exploration profiles and financial status.

The business experience and functions of the executive committee members of AngloGold Ashanti, as at December 31, 2007
are as follows.

***Executive directors:***

**Mr M Cutifani** (49) **—** BE (Min. Eng)

***Chief Executive Officer***

Mark Cutifani was appointed to the board of AngloGold Ashanti on September 17, 2007. He was appointed Chief Executive
Officer, effective October 1, 2007, following the retirement of Bobby Godsell. Prior to joining AngloGold Ashanti, Mark held the
position of Chief Operating Officer at CVRD Inco where he was responsible for Inco's global nickel business. He has been
involved in the mining industry since 1976, and has considerable experience in gold mining.

**Mr S Venkatakrishnan (Venkat)** (42)

BCom, ACA (ICAI)

***Chief Financial Officer***

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in 2004. Prior to joining Ashanti, Venkat was a director in the Reorganisation Services Division of Deloitte & Touche in London.
He was appointed to the board in August 2005.

***Executive management team***
**Dr CE Carter** (45) **—** BA (Hons), DPhil, EDP
***Executive Vice President – Business Strategy***
Charles Carter joined Anglo American in 1991 and moved to the Gold and Uranium Division in 1996, and was part of the team
responsible for the formation of AngloGold. In May 2005, he was appointed an executive officer, with responsibility for
overseeing the company's global investor relations program. He was appointed as executive vice president – business strategy
in December 2007.
**Mr RN Duffy** (44)
BCom, MBA
***Executive Vice President – Business Development***
Richard Duffy joined Anglo American in 1987 and in 1998 was appointed executive officer and managing secretary of
AngloGold. In November 2000, he was appointed head of business planning and in 2004 assumed responsibility for all new
business opportunities globally. In April 2005, this role was expanded to include greenfields exploration. He was appointed to
the Executive Committee in August 2005. Richard was appointed as executive vice president – business development in
December 2007.
**Mr G Ehm** (51)
BSc Hons, MAusIMM, MAICD
***Executive Vice President – Australasia***
Graham Ehm has 30 years of diverse experience in mine operations and project management, covering the nickel, phosphate,
copper, uranium and gold sectors. He was appointed General Manager Sunrise Dam Gold Mine in 2000, Regional Head –
Australia in 2006 and took up his current role as executive vice president – Australasia in December 2007.
**Mr RW Largent** (47)
BSc (Min. Eng), MBA
***Executive Vice President – Americas***
Ron Largent has been with the company since 1994. He is a board member of the Colorado Mining Association in Denver and
has served on the Board of Directors for the California Mining Association and the Nevada Mining Association. In 2001 he was
appointed as General Manager of the Cripple Creek & Victor Gold Mine and took up his current role as executive vice
president – Americas in December 2007.
**Mr RL Lazare** (51)
BA, HED, DPLR, SMP
***Executive Vice President – Africa***
Robbie Lazare joined Anglo American Gold and Uranium Division in 1982, working in a variety of management posts until 1999
when he was appointed general manager of TauTona. In December 2004, he was appointed an executive officer with
responsibility for South African operations. He was appointed executive officer – Africa underground region in July 2005 and
took up his current role as executive vice president – Africa in December 2007.
**Mr MP Lynam** (46)
BEng (Mech)

***Vice President – Treasurer***

Mark Lynam joined the Anglo American group in 1983 and has been involved in the hedging and treasury area since 1990. In 1998 he joined AngloGold as treasurer and was appointed an executive officer in May 2004. He was appointed as Vice president – treasurer in December 2007.

**Mr PW Rowe** (58)

BSc (Chem. Eng)

***Executive Vice President – Business Effectiveness***

Peter Rowe joined AngloGold Ashanti in June 2004 as head of AngloGold Ashanti Australia. Following 20 years with Anglo American and De Beers, he moved to Australia in the early 1990s where he held a number of senior managerial positions including that of project director of the Fimiston expansion, general manager of the Boddington Gold Mine and managing director and CEO of Bulong Nickel. He was appointed executive officer with responsibility for the corporate technical group in January 2006 and took up his current role as executive vice president – business effectiveness in December 2007.

**Mr TML Setiloane** (48)

FAE, BSc (Mech Eng)

***Executive Vice President – Sustainability***

Thero Setiloane joined AngloGold in May 2003 from Real Africa Holdings, where he had been an executive director. He is the chairman of Rand Refinery Limited. He was appointed an executive officer and a member of AngloGold Ashanti's executive committee in February 2006 and as executive vice president – sustainability in December 2007.

**Ms YZ Simelane** (42)

BA LLB, FILPA, MAP

***Vice President – Compliance and Corporate Administration***

Yedwa Simelane joined AngloGold in November 2000 from the Mineworkers' Provident Fund where she was the senior manager of the Fund. She was appointed an executive officer in May 2004 and took up her current role as vice president – compliance and corporate administration in December 2007.

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**Mr NW Unwin** (55) – BA
***Executive Vice President – Organizational Development***
Nigel Unwin has many years experience in the field of human resources. He was appointed an executive officer in 1999 and
executive vice president – organisational development in December 2007. Nigel Unwin joined Anglo American as a trainee in
human resources in 1974 and spent 18 years in operations and corporate roles. He then worked in the CFTA retail sector for
seven years before joining AngloGold in 1999 as an executive officer. Following the acquisition of Acacia Resources by
AngloGold at the end of 1999 and managed the integration of the two companies in Australia before taking over the HR and IT
portfolios in 2001. He was appointed to his current role of executive vice president – organizational development in December
2007.
Prior to the re-organisation of the executive management team, the following represented the 'executive officers' team until
November 30, 2007:

Dr CE Carter
Mr SJ Lenahan
Mr DH Diering
Mr MP Lynam
Mr RN Duffy
Mr FRL Neethling
Mrs D Earp (resigned effective March 1, 2007)
Mr PW Rowe
Mr DC Ewigleben
Mr TML Setiloane
Mr BW Guenther
Ms YZ Simelane
Mrs HH Hickey
Mr NW Unwin
**Office of company secretary**
**Ms L Eatwell** (53) – FCIS
Lynda Eatwell joined AngloGold in August 2000 as an assistant company secretary. She was appointed company secretary of
AngloGold Ashanti in December 2006. She is responsible for ensuring compliance with statutory and corporate governance
requirements and the regulations of the stock exchanges on which AngloGold Ashanti are listed.
**Competent persons**
The schedule below presents the details of those persons who manage AngloGold Ashanti's Ore Reserves and Mineral Resources:
**Name**
**Age**
**Position**
**Year first appointed**
Carl E Brechtel
57
Manager - underground mining – Australia Region

2001
Vaughan A. Chamberlain
45
Manager - mineral resources and mine geology
1998
Michael (Mike) F. O'Brien
50
Manager – evaluation
1999
Eric Roth
41
Head of exploration - greenfields
2005
Jurgens van Zyl Visser
53
Manager - survey and planning – Africa Underground region
2001
David (Dave) L. Worrall
57
Manager - surface mining
1999
The information in this report that relates to exploration results, Mineral Resources or Ore Reserves is based on information
compiled by the competent persons listed below. They are either members of the Australian Institute of Mining and Metallurgy
(AusIMM) or recognized overseas professional organizations. They are all full-time employees of the company.
***The competent person for AngloGold Ashanti Exploration is***:
**E Roth —** PhD (Economic Geology), BSc (Hons) (Geology), MAusIMM
Eric has 17 years experience in mineral exploration and project evaluation, and holds a Bachelor of Science (Honors) degree
in Geology and Ph.D in Economic Geology from the University of Western Australia. Eric joined AngloGold in 2002 as Project
Manager – Peru, subsequently holding the positions of Senior Evaluations Geologist – South America (2003 to November
2005) and Head of Exploration – Greenfields from December 2005.

***The following competent persons take responsibility for the reporting of AngloGold Ashanti's Mineral Resources, as defined under JORC 2004***:
**VA Chamberlain —** MSc (Mining Engineering), BSc (Hons) (Geology), MAusIMM
Vaughan has 22 years experience and holds a Bachelor of Science (Honors) degree in Geology from the University of Natal and a Masters degree in Mining Engineering from the University of the Witwatersrand. He started his career with Anglo American Corporation in 1987 as a geologist at Western Deep Levels East Mine (now TauTona mine). He joined AngloGold in 1998 and currently holds the position of Vice President – Geosciences.
**MF O'Brien —** MSc (Mining Economics), BSc (Hons) (Geology), Dip Data, Pr.Sci.Nat., MAusIMM
Mike has 28 years experience and holds a Bachelor of Science (Honors) degree in Geology from the University of Natal, a Masters degree in engineering from the University of Witwatersrand and a Diploma in Datametrics from UNISA. He joined Anglo American Corporation in 1981 as a geologist at Vaal Reefs Mine and AngloGold in 1999 as manager: evaluation in the Corporate Technical Group, the position he currently holds.
***The following competent persons take responsibility for the reporting of AngloGold Ashanti's Ore Reserves***:
**CE Brechtel —** MSc (Mining Engineering), BSc (Geological Engineering), MAusIMM, MSAIM
Carl has 32 years experience and holds a Bachelor of Science degree in Geological Engineering and a Master of Science degree in Mining Engineering from the University of Utah, USA. After spending 6 years at AngloGold Ashanti's Jerritt Canyon operations, he was appointed Manager of Underground Mining of the Corporate Technical Group (CTG) providing technical support and corporate governance to international mining operations outside of the South Africa Region. He is currently Manager Underground Mining for AngloGold Ashanti Australia. He is a registered Professional Mining Engineer in the states of Colorado and Nevada, USA.
**DL Worrall —** ACSM, MAusIMM
Dave has vast experience and has been involved, at various levels, in the planning and operation of surface mines since 1975. He is an Associate of the Camborne School of Mines in Cornwall, England and joined Anglo American Corporation in 1981 as a senior mine planning engineer in the technical director's office and AngloGold in 1999 as manager, surface mining in the corporate office, the position he currently holds.
**J van Zyl Visser —** MSc (Mining Engineering), BSc (Mineral Resource Management), PLATO
Jurgens has 21 years experience and holds a Bachelor of Science degree in Mineral Resource Management and a Master of Science degree in Mining Engineering from the University of the Witwatersrand. He started his career with Anglo American Corporation in 1975 as a surveyor at President Steyn Mine. He joined AngloGold in 1998 as a divisional valuator and in 1999 was appointed as manager survey and planning – Africa underground region.
The competent persons consent to the inclusion of the exploration and Ore Reserves information in this report, in the form and

context in which it appears.

**6B. Compensation**

**Remuneration report**

*Policy*

The Remuneration Committee sets and monitors executive remuneration for the company, in line with the executive remuneration policy. This policy has as its objectives to: attract, reward and retain executives of the highest caliber; align the behavior and performance of executives with the company's strategic goals, in the overall interests of shareholders; ensure the appropriate balance between short-, medium- and long-term rewards and incentives, with the latter being closely linked to structured company performance targets and strategic objectives that are in place from time to time; and ensure that regional management is competitively rewarded within a global remuneration policy, which recognizes both local and global market practice.

This policy and its application are reviewed at least annually by the Remuneration Committee. See “Item 6C.: Board practices – Remuneration Committee”.

*Compensation of executive directors*

In particular the Remuneration Committee is responsible for:

- the remuneration packages for executive directors of the company including, but not limited to, basic salary, performance-based short and long-term incentives, pensions, and other benefits; and
- the design and operation of the company’s executive share option and other incentive schemes.

The performances of the executive directors are considered relative to the prevailing business climate and market conditions as well as annual evaluations to assess the level of achievement of key predetermined objectives. Bonuses paid to executive directors are a reflection of the performance of each of the directors and the company as a whole. Executive directors have elected to receive no remuneration as directors of the company.

The following principles are applied in determining executive remuneration:

1. Annual remuneration is a combination of base pay and short-, medium- and long-term incentives, with salary comprising about 50 percent of annual remuneration.
2. Salary is set at the median for the relevant competitive markets.
3. All incentive plans should align performance targets with shareholder interests.

*Bonus Share Plan (BSP) and Long-Term Incentive Plan (LTIP)*

BSP

Shareholders approved the introduction of two new schemes to replace the old share incentive scheme at the annual general meeting held on April 29, 2005. The purpose of both schemes is to align the interests of shareholders and the efforts of executives and managers.

To the extent that structured company performance targets are achieved, the BSP allows for the payment of an annual bonus, paid in part in cash and part in rights to acquire shares.

*Changes to the BSP as approved by shareholders at the annual general meeting held on May 6, 2008:*

The global scramble for skills in the resources sector has had the effect of greatly increasing levels of remuneration for skilled professionals and managers. Whilst AngloGold Ashanti has been relatively successful in retaining many of its skilled professionals and managers, its competitive position in respect of remuneration has been significantly eroded. This is especially true of the awarding of shares and the magnitude of bonuses paid, which compare unfavorably both within South Africa and globally.

At the annual general meeting, the company proposed raising the levels of maximum performance bonus payable and the maximum levels of bonus share awards, reducing the vesting period of bonus shares from three years to two years, and altering the split between company and individual performance in determining the bonus, which proposals were approved by shareholders.

LTIP

The LTIP allows for the granting of rights to acquire shares, based on the achievements of stretched company performance targets over a three-year period.

These targets are based on the performance of earnings per share (EPS) and relative total shareholder return (TSR), whereby
the company will need to consistently outperform its gold company peers. Additionally, certain strategic business objectives,
which the Remuneration Committee will determine from time to time, will also need to be met.

Executive director remuneration currently comprises the following elements:

1.
***Basic salary***, which is subject to annual review by the Remuneration Committee and is set in line with the median of salaries in similar companies in the relevant markets both in South Africa and globally. The individual salaries of executive directors are reviewed annually in accordance with their own performance, experience, responsibility and company performance.

2.
***Annual bonus***, which is determined by the achievement of a set of stretching company and individual performance targets. The company targets include safety, earnings per share, cost control and global production. The weighting of the respective contribution of company and individual targets is 70 percent for company and 30 percent for individual. Failure to achieve safety improvement targets results in the reduction of bonuses for executive directors and executive management. Fifty percent of the bonus is paid in cash and 50 percent in awarding of rights to acquire shares. The awards have a three-year vesting period.

3.
***LTIP***: The chief executive officer and executive director are granted the right to acquire share of value equivalent to 120 percent and 100 percent of their annual salaries, respectively, subject to the achievement of stretched company performance targets over a three-year period. These targets are based on the performance of EPS and TSR, whereby the company will need to consistently outperform its gold company peers. Additionally, strategic business objectives will also need to be met. The first tranche of LTIP awards was made to executive directors in 2005. The performance period in respect of the 2005 LTIP award ended at the end of 2007. Only one of the performance targets, TSR, was met, which means that only 40 percent of the award of shares will vest, while the balance will lapse. See "Item 6E.: Share Ownership" for more information on the Long-Term Incentive Plan.

4.
***Pensions***: All executive directors who are South African citizens, are members of the AngloGold Ashanti Pension Fund, a defined benefit fund which guarantees a pension on retirement equivalent to 2 percent of final salary per year of service.
All executive directors who are not South African citizens have other retirement benefit plans, to which the company contributes to the level required by local practice. Death and disability cover reflects best practice among comparable employers in South Africa.

5.
***Other benefits***: Executive directors are members of an external medical aid scheme, which covers the director and his immediate family.

**Directors' service contracts**

Service contracts of executive directors are reviewed annually. Mark Cutifani, as chief executive officer, has an initial contract of 24 months, but with a 12-month notice period. The notice period for the chief financial officer and executive director, Srinivasan Venkatakrishnan, is nine months. The contracts also deal with compensation if an executive director is dismissed or if there is a material change in role, responsibilities or remuneration following a new shareholder assuming control of the company. Compensation for these particular circumstances is calculated at twice the notice period earnings.

**Compensation of executive directors, executive officers and executive management**

Following the appointment of Mark Cutifani as chief executive officer, AngloGold Ashanti re-organised its executive management teams with effect from December 1, 2007, in line with the renewed strategic focus of the company. A decentralised regional operating structure was established with three executive vice presidents for Africa, the Americas and Australasia reporting directly to the chief executive officer. In addition, the heads of business strategy, business development, business effectiveness, sustainability and organizational development were made executive vice presidents. These operations and functional executive vice presidents, together with the vice president – treasurer, the vice president – compliance and corporate administration, the chief executive officer and the chief financial officer, constitute the company's executive management.

Under the Listings Requirements of the JSE, AngloGold Ashanti is required to disclose compensation paid to its executive directors on an individual basis while compensation paid to its executive officers/executive management is disclosed in aggregate.

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The following table presents the compensation paid by AngloGold Ashanti to executive management during 2007 and 2006.

Executive directors have elected not to receive payment of directors' fees, committee fees and travel allowances.

**All figures in $000**
**(1)**
**Appointed**
**with effect**
**from**
**(2)**
**2007**
**Resigned**
**or Retired**
**with**
**effect**
**from**
**(2)**
**2007**
**Salary**
**Compen-**
**sation**
**and**
**recruit-**
**ment**
**(3)**
**Performa**
**nce**
**related**
**pay-**
**ments**
**(4)**
**Pension**
**scheme**
**contribu-**
**tions**
**Other**
**benefits**
**(5)**
**Encashed**
**Leave**
**(6)**
**Sub-total**
**Pre-tax**
**gain on**
**share**
**options**
**exercised**
**Total**

***Executive Directors' remuneration 2007***

M Cutifani
Sept 17
227
2,162
137
-
100
-
**2,627**
-
**2,627**
R Carvalho Silva
**(7)**
Sept
30
636
2,880
142
302
227
213
**4,400**
651
**5,051**
RM Godsell
Sept 30
716
1,394
-
109
13
264
**2,495**
5,075
**7,569**
NF Nicolau
Nov 12
(1)
701
2,375
136
111
118
18
**3,459**
337
**3,795**
S Venkatakrishnan
649
-
244

110
-
35
**1,038**
-
**1,038**
**2,929**
**8,811**
**659**
**632**
**458**
**530**
**14,019**
**6,063**
**20,080**
***Executive officers' remuneration 2007 – up to November 30, 2007***
Representing 15 Executive Officers
**4,041**
**-**
**885**
**511**
**37**
**95 5,569 1,634**
**7,203**
**Executive Managements' remuneration 2007 – from December 1, 2007**
Representing 10 Executive Management
**345**
**-**
**73**
**43**
**6**
**51**
**518**
**-**
**518**
**Total executive directors', executive officers' and executive management remuneration – 2007**
**7,315**
**8,811**
**1,617**
**1,186**
**501**

**676**
**20,106**
**7,697**
**27,801**
***Executive Directors' remuneration 2006***
R M Godsell
(chief executive
officer)
936
354
138
9
-
**1,437**
324
**1,762**
R Carvalho Silva
762
172
308
7
64
**1,314**
-
**1,314**
N F Nicolau
545
172
83
4
21
**825**
510
**1,335**
S Venkatakrishnan
561
172
95
-
-
**829**
-
**829**
K H Williams
May 6, 06
175
-
26
13
-

**214**
-
**214**
**2,979**
**870**
**650**
**33**
**85**
**4,619**
**834**
**5,454**
***Executive officers' remuneration 2006***
Representing 16 executive officers
**4,344**
**983**
**474**
**210**
**39**
**6,050**
**1,102**
**7,152**
**Total executive directors' and executive officers' remuneration– 2006**
**7,323** **1,853**
**1,124**
**243**
**124**
**10,669**
**1,936**
**12,606**
*(1)*
*When directors' compensation is paid in South African rands, for the purpose of this annual report, the rand values have been converted to US dollars using the following yearly average rate of exchange: 2007¨$1 = R7.0276 and 2006: $1 = R6.7706.*
*(2)*
*Salaries are disclosed only for the period from or to which, office is held except in respect of Messrs Godsell, Carvalho Silva and Nicolau, which amounts reflect total payments made to the date of this report. Mr Nicolau resigned from the board effective November 12, 2007 and left the company effective January 31, 2008.*
*(3)*
*Compensation and recruitment expenses relate to the once-off payments made to Messrs Godsell, Carvalho Silva and Nicolau on their retirement/resignation from the board and company, and to Mark Cutifani on his appointment as chief executive officer.*
*(4)*
*In order to move accurately disclose remuneration received/receivable by executive directors, exective officers and executive management, the tables*

*include the performance related payments calculated on the year's financial results paid in 2008.*

*(5)*

*Includes health care, personal travel and relocation expenses, and in the case of Mr Carvalho Silva, a compulsory payment to an unemployment insurance fund and a medical promise payout paid to Mr Nicolau.*

*(6)*

*In 2005, AngloGold Ashanti altered its policy regarding the number of leave days that may be accrued. As a result, surplus leave days accrued are compulsorily encashed.*

*(7)*

*Mr Carvalho Silva's earnings were paid in Brazilian real and US dollars. For the purposes of this annual report on Form 20-F, values have been converted using the monthly average rates of exchange.*

*NB: Rounding may result in computational differences*

**Compensation of non-executive directors**

The fees of non-executive directors are fixed by shareholders at the annual general meeting, and other than the fees they receive for their participation on board committees and an allowance for traveling internationally to attend board meetings, non-executive directors receive no further payments from the company.

There are no contracts of service between the non-executive directors and the company or any of its subsidiaries. All directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

The following table presents the compensation paid by AngloGold Ashanti to each non-executive director during 2007 and 2006.

**All figures stated to the**
**nearest $000**
**(1)**
**Appointed**
**with effect**
**from**
**(2)**
**Resigned/**
**Retired**
**with effect**
**from**
**(2)**
**Directors**
**fees**
**(3)**
**Commit-**
**tee fees Travel**
**(4)**
**Total**
**Directors**
**fees**
**(3)**
**Commit-**
**tee fees Travel**
**(4)**
**Total**
R P Edey (chairman)
142
31
18
191
130
24
16
170
T J Motlatsi (deputy
chairman)
48

26
–
74
44 19 –
63
F B Arisman
21
30
18
70
16
21
16
53
R E Bannerman
Feb 10, 06
21
15
18
55
14
4
8
26
Mrs E le R Bradley
18
28
–
46
16
22
–
38
C B Brayshaw
**(5)**
7
11
–
18
16
18
–
34
Mrs C Carroll
May 5, 07
Oct 9, 07
4
–
–
4
–

–
–
–
S E Jonah
(6)
(president)
Aug 1, 05
13
9
–
22
23
18
–
41
R Médori
Aug 1, 05
15
–
–
15
16
–
–
16
J H Mensah
Aug 4, 06
21
11
18
50
7
–
4
11
W A Nairn
18
22
–
40
16
19
–
35
W L Nkuhlu
Aug 4, 06
19
16
–
33
7

4
–
11
S M Pityana
Feb 13, 07
16
16
–
32
–
–
–
–
S R Thompson
21
13
14
48
16
12
–
28
A J Trahar
7
5
–
12
16
6
–
22
P L Zim
Aug 4, 06
–
–
–
–
12
9
–
21
**Total – non-executive directors**
**389**
**234**
**87**
**710**
**349 176 44**
**569**
**Alternates**
D D Barber

Aug 4, 06
–
–
–
–
–
–
–
–
A H Calver
–
–
–
–
–
–
–
–
P G Whitcutt
(7)
–
5
–
5
–
5
–
5
**Total alternate directors**
**–**
**–**
**–**
**–**
**–**
**5**
**–**
**5**
**Grand total**
**389**
**239**
**87**
**715**
**349**
**181**
**44**
**574**
*NB: Rounding may result in computational differences*
*(1)*
*Where directors' compensation is paid in South African rands, for the purpose of this annual report, the rand values have been converted to US dollars using*
*the following year-to-date average rate of exchange: 2007: $1=R7.0276 and 2006: $1 = R6.7706.*

*(2)*
*Salaries are disclosed only for the period from or to which, office is held.*
*(3)*
*At the annual general meeting of shareholders held on May 4, 2007, shareholders approved an increase in directors' fees with effect from May 1, 2007 as follows:*
*Chairman*
*-$150,000 per annum*
*Deputy chairman and president*
*-R360,000 per annum*
*South African resident directors*
*-R135,000 per annum*
*Non-resident directors*
*-$25,000 per annum*
*(4)*
*A payment of a travel allowance of $5,000 per meeting is made to non-executive directors who travel internationally to attend board meetings In addition, AngloGold Ashanti is liable for the payment of all travel costs.*
*(5)*
*In addition, Mr Brayshaw received fees from AGRe Insurance Company Limited, a wholly-owned subsidiary, for his role as both director and as member of its audit committee.*
*(6)*
*Dr Jonah resigned as an executive director with effect July 31, 2005, but remained a non-executive director and subsequently resigned from the board with effect from February 12, 2007.*
*(7)*
*Member of the investment committee.*

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**6C. Board practices**

**The board of directors**

The board has a unitary board structure and 12 members who assume complete responsibility for the activities of the company,
including the entire risk management framework and corporate governance of the company. The board has a written charter that
governs its powers, functions and responsibilities and covers the following pertinent areas:

- Authority of the board
- Directors' appointments
- Role and responsibility of the board
- Procedures of the board
- Board committees
- Matters reserved for board decision
- Management of risks
- Corporate governance
- Remuneration issues
- Evaluation of board issues and induction of new directors
- Declaration of interests

Directors' retirement follows a staggered process with one-third of directors retiring at least every three years at the annual general
meeting. A curriculum vitae of each director standing for re-election is placed before shareholders at the annual general meeting to
help inform the process of re-election. The board is authorized by the company's articles of association to appoint new directors,
provided such appointees retire at the next annual general meeting and stand for election by shareholders. A Nominations Committee
has been established as a subcommittee of the board to help identify suitable candidates for appointment to the board.
Executive directors are appointed by the board to oversee the day-to-day running of the company by the effective supervision of
management. Executive directors are held accountable by regular reporting to the board, and their performance is measured against
pre-determined criteria as well as the performance of their respective business units. Only executive directors have contracts of
employment with the company. There are no contracts of service between the directors and the company, or any of its subsidiaries
that are terminable at periods of notice exceeding one year or that require payment of compensation on termination.
Non-executive directors do not hold service contracts with the company. Non-executive directors provide the board with invaluable

and balanced advice and experience that is independent of management and the executive. The presence of independent directors on the board, and the critical role they play as board representatives on key committees such as the Audit and Corporate Governance, Nominations, Political Donations and Remuneration committees, together with their calibre, experience and standing within the community, ensures that the company's interests are served by impartial views that are separate from those of management and shareholders.

In terms of board policy, a director will qualify as being independent provided AngloGold Ashanti has not, over the preceding year, done business in excess of $10 million or 5 percent of the company's treasury business with the employer of that director.

Furthermore, in compliance with JSE Listings Requirements, an independent director must not be a representative of a shareholder who has the ability to control or materially influence management and/or the board; must not have been employed by the company or be the spouse of a person employed by the company in an executive role in the past three years; must not have been an adviser to the company other than in the capacity as a director of the company; must not be a material supplier, customer or have a material contractual relationship with the company; and must be free of any relationship that could be seen to materially interfere with the independence of that person. The board has affirmatively determined that all eight independent non-executive directors comply with these requirements of independence.

The board, its sub-committees, and the directors all completed an annual evaluation process to review their effectiveness. The chairman of each committee and the chairman of the board led the processes to evaluate the committees and the board respectively.

Each non-executive director completed a self-assessment which was then reviewed by the chairman of the board, and where necessary a meeting was held between that director and chairman. There was a separate review of the chairman's performance led by the deputy chairman of the board whereby each director evaluated his performance during the year. The vice-president – compliance and corporate administration, company secretary and compliance manager played a critical role in this process. The performance evaluation of executive directors is conducted by the Remuneration Committee. As an example of the content of an appraisal form, the board effectiveness evaluation covered the following topics:

- Setting of performance objectives
- Board contribution to development of strategy
- Board response to crisis
- Board awareness of developments in regulatory environment and market
- Effectiveness of board committees

- Evaluation of the relationship between the board and management, shareholders and among members of the board itself
- Succession plans for senior executive management
- Definition of independent directors
- Corporate governance and legal issues facing the board/company

The vice-president – compliance and corporate administration and the company secretary have been appointed to assist the board in its deliberations, informing members of their legal duties and ensuring, together with the executive directors and senior management that its resolutions are carried out. Together with the investor relations department, the company secretarial function also provides a direct communications link with investors and liaises with the company's share registrars on all issues affecting shareholders and in consultation with other departments, provides mandatory information required by various regulatory bodies and stock exchanges on which the company is listed. The vice president – compliance and corporate administration and the company secretary are responsible for compliance with all the statutory requirements related to the administration of the Share Incentive Scheme. They also ensure that minutes of all shareholders, board and board committee meetings are properly recorded in accordance with the South African Companies Act 61 of 1973 as amended. The company secretarial and compliance functions also play a crucial role in the induction of new directors.

A compliance office has been established to assist the board and management to determine their statutory duties, ensure legal compliance and advise on issues of corporate governance.

All members of the board have access to management and the records of the company, as well as to external professional advisers should the need arise.

Six board meetings took place during the course of 2007. All directors, or their designated alternates, attended the board meetings during their tenure except for Mrs Carroll and Mr Médori who did not attend three meetings each, Dr Motlatsi and Mr Mensah who did not attend two meetings each, and Messrs Bannerman, Godsell, Nairn, Pityana, Thompson, Trahar, Prof Nkuhlu, Dr Jonah and Mrs Bradley who were each unable to attend one meeting.

Directors and employees of AngloGold Ashanti with access to price sensitive information are not permitted to trade in the company's shares during closed periods. In addition, they are prohibited from dealing in warrants and derivatives of the company at any time.

Directors and key employees are required to follow a formal process before trading in the company's shares. Closed periods are in effect from the end of the reporting period to and including the date of publication of the quarterly, half-yearly and year-end results.

Where appropriate, a closed period is also effective during periods when major transactions are being negotiated and a public announcement is imminent.

***Significant corporate governance issues faced by the board in 2007***

The company looks back proudly at its history as part of Anglo American and looks forward to a future that is rich with promise and prospect. The company views the reduction of Anglo American's shareholding in it as a positive move that enables it to make its strategic choices more freely in a dynamic business environment.

The increase in the free float of its shares up to 83 percent reflects the company's ability to be independent in determining its strategy and developmental focus, enhancing its own competitiveness and in empowering shareholders by negating the effect of having a majority shareholder and increasing the company's liquidity.

The board's previous composition, which at one stage numbered 19 directors, was clearly too large. There is now a smaller, more focused group, with the right credentials in terms of skills, experience, knowledge and demographics which will hold the company in good stead as it charts its new strategy.

The retirement of the chief executive officer, Mr Bobby Godsell, and the resignation of the two chief operating officers (COOs), Mr Roberto Carvalho Silva and Mr Neville Nicolau, required considerable deliberation by the board in order to ensure a smooth transition to their respective successors. Succession plans in the case of the two COOs ensured that the operational requirements of the company continued. In 1998, AngloGold was formed through the consolidation of the gold assets of Anglo American Corporation of South Africa into an independent, single focused gold company. Mr Bobby Godsell played a pivotal role in establishing AngloGold and overseeing its evolution as a world-class multinational gold company with mining and exploration activities on five continents and in more than 10 countries, and the first South African company to list on the New York Stock Exchange. He also oversaw the merger with Ghanaian gold mining company Ashanti Goldfields Company Limited to form AngloGold Ashanti in 2004. His decision to retire based on a desire to contribute to the broader South African community in a more direct and meaningful manner was respected by the board and his significant contribution in nurturing the company through its formative years is appreciated by both staff and the board of the company.

The process for selecting a successor to Mr Godsell was led by the board chairman in consultation with the board as a whole and in particular with the Nominations and Remuneration committees of the board. The search for an experienced and qualified mining and business leader considered candidates both internally and externally. The decision to appoint an external candidate, Mr Mark Cutifani, a mining engineer by training, as the new CEO was based on the need to bring in new and fresh ideas to guide the company's strategic future. In particular, Mr Cutifani's impressive career and experience in both the operational and financial aspects of the mining industry were regarded by the board as key features in its decision to appoint him as chief executive officer.

Highlights of Mr Cutifani's career include: Chief operating officer – CVRD INCO (Toronto, Canada); Chief operating officer – INCO Ltd
(Toronto, Canada); Managing director – Sons of Gwalia Ltd (West Perth, Australia); Group executive, mining and development –
Normandy Mining Ltd (Adelaide, Australia); Group manager, project management – Western Mining Corporation Ltd; and Manager,
coal – Rio Tinto Ltd.
Mr Cutifani is leading a strategic review of the company's safety performance, its vision, mission and values, and the make-up of its
operation and exploration profiles. This review will be implemented and completed during 2008.
The Public Investment Corporation (PIC), which is the company's third largest shareholder and invests South African public workers'
pension funds, released its policy on corporate governance. The board welcomes such initiatives and applauds the transparency and
engagement provided by the PIC. Many of the standards adopted in the policy already form part of the company's practices but some
standards will require review and deliberation by the board.

**Board Committees**

To facilitate its activities and deliberations, the board has established a number of sub-committees, comprising members of the
board, with written terms of reference governing the powers, functions and activities of these sub-committees. At the October
2007 meeting of the board, a decision was taken to dissolve the Market Development Committee as its mandate can be met at
management level. There are now eight committees of the board including the Executive Committee.
Members of board committees have access to management and the records of the company, as well as to external
professional advisers should the need arise. A description of each subcommittee is provided below.

***Audit and Corporate Governance Committee***

The Audit and Corporate Governance Committee, including its chairman, comprises only independent non-executive directors,
in compliance with the Sarbanes-Oxley Act. The members of the Audit and Corporate Governance Committee are
Prof. WL Nkuhlu, Mr FB Arisman, Mr JH Mensah, Mrs E Bradley and Mr RP Edey. The Sarbanes-Oxley Act requires the board
to identify a financial expert from within its ranks. The board has resolved that the committee's chairman, Prof Wiseman
Nkuhlu, is the board's financial expert. All five members of the committee have considerable financial knowledge and
experience to help oversee and guide the board and the company in respect of the audit and corporate governance disciplines.
In relation to independent directors' membership of the committee, AngloGold Ashanti deviates from the guidelines of the King
Code but complies with the requirements of the Sarbanes-Oxley Act as the chief executive officer is not a member of the
committee but, if required, may attend by invitation from the chairman of the committee. In addition, AngloGold Ashanti
deviates from the guidelines of the King Code in that the board chairman is a member of the committee. The board considers
that the board chairman possesses invaluable experience and knowledge warranting his membership of the committee.
AngloGold Ashanti is otherwise compliant with the good governance requirements of the King Code.
The group internal audit manager has unrestricted access to both the chief executive officer and the chief financial officer, the

board chairman and the chairman of this committee, and is invited to attend and report on his department's activities at all committee meetings. The board is confident that the unfettered access of the group internal audit manager to key board members, and the direct and regular reporting to the committee, together with his calibre, experience and integrity, enable him to discharge his duties as required by law and in fulfillment of his obligations to the company. The function, duties and powers of internal audit, for which the group internal audit manager is responsible, are governed by a formal internal audit charter that has been approved by the committee. In addition, the group internal audit manager meets with committee members in the absence of management.

The committee is tasked to assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, stock exchange rules and accounting standards. The committee does not perform any management functions or assume any managerial responsibilities. The committee provides a forum for discussing business risk and control issues for development of relevant recommendations for consideration by the Board. The committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework. The committee meets regularly with the external audit partner, the group's internal audit manager and the chief financial officer to review the audit plans of the internal and external auditors and ascertain the scope of the audits, and to review the quarterly financial results, significant legal matters affecting the company, the preliminary announcement of the annual results and the annual financial statements, as well as all statutory submissions of a financial nature, prior to approval by the board.

The committee is furthermore responsible for:

•

the appointment and dismissal of the external auditors; determining and approving external auditors' fees; overseeing the
work of the external auditors; determining all non-audit work of the external auditors including consulting work, and pre-
approving non-audit fees to be paid to the external auditors; and ensuring that the external auditors report regularly to the
committee. The non-audit activities performed by the external auditors during the year were in respect of:

– tax services;
– training services; and
– communications and advisory services regarding annual comment letters received from the US SEC.

•

total fees expensed to the external auditors for such activities were less than $1 million while total fees expensed for 2007
were approximately $7 million. The percentage of non-audit fees as a portion of total fees paid to the external auditors for
2007 was about 14 percent;

overseeing the internal audit function; receiving regular report back from the group internal audit manager; and the
appointment and dismissal of the group internal audit manager;

•

•

assessing and reviewing the company's risk management framework; and

•

monitoring the group's corporate governance practices in relation to regulatory requirements and guidelines.

The external auditors also meet with committee members in the absence of management. The Audit and Corporate
Governance Committee, after due consideration, is satisfied that the external auditor is independent of the company and was
so during the financial period under review to and including the date of this report.

The committee met on five occasions during 2007. All members of the committee, except Mrs Bradley who could not attend
two meetings, were present at each of the committee meetings for which they were eligible to attend. In addition, three
meetings of the Audit and Corporate Governance sub-committee were held to approve the annual report on Form 20-F and
other US GAAP filings with the United States' Securities and Exchange Commission (SEC).

The NYSE listing rules require that the board determine whether a member of the committee's simultaneous service on the
audit committees of more than three public companies impairs the ability of such a member to effectively serve on a listed
company's audit committee. Prof Nkuhlu, the chairman of the committee, is a member of two (2006: two) other public
companies' audit committees but is the chairman of none of these committees (2006: nil). Mrs Bradley is a member of three
(2006: three) other public companies' audit committees and is the chairman of one (2006: one).

Prof Nkuhlu is a qualified chartered accountant with considerable experience in both accounting and auditing and is a past
president of the South African Institute of Chartered Accountants. Mrs Bradley has considerable financial and accounting
experience. The board is confident that the experience, calibre and integrity of both directors and active contribution at
meetings of the committee and the board, demonstrate their commitment to the company. The simultaneous service on other

audit committees by Prof Nkuhlu and Mrs Bradley has not impaired their ability to diligently execute their responsibilities to the committee and the board of AngloGold Ashanti. The members of the Audit and Corporate Governance Committee were all re-appointed to serve as members of the committee by the board and to hold office for the next financial year.

***Employment Equity and Development Committee***

The committee is responsible for overseeing the company's performance in respect of employment equity, transformation and staff development by taking into account the legal requirements of applicable legislation and the monitoring of targets set by the company. The committee is also responsible for employee skills development in a manner that seeks to retain and develop talent, and to provide employees with the opportunity to enhance their skills and knowledge. The committee met on four occasions during 2007. Details of the company's employment equity practices and performance during the year are provided later in this report under "Employment Equity and Development". All members of the committee attended each meeting for which they were eligible, except Mr Nairn who was unable to attend one meeting.

***Executive Committee***

This committee, chaired by Mr Cutifani, the new chief executive officer, since his appointment in October 2007, is responsible for overseeing the day-to-day management of the company's affairs and for executing the decisions of the board. The committee meets at least monthly and is actively involved in the strategic review of the company's values, safety performance, operation and exploration profiles and financial status. The Finance Committee, which is responsible for overseeing the financial and administrative affairs of the company, is a sub-committee of the Executive Committee.

***Investment Committee***

This committee is responsible for overseeing and reviewing AngloGold Ashanti's strategic investments which includes the acquisition and disposal of assets, capital expenditure and projects. The committee met on three occasions during 2007. All members who were eligible to attend meetings of the committee were present except Mrs Bradley and Messrs Pityana, Nairn and Whitcutt who were unable to attend one meeting each. Dr Jonah who was eligible to attend one meeting of the committee, prior to his resignation from the board, was unavailable for this meeting.

***Market Development Committee***

This committee was established to extend the influence of AngloGold Ashanti as a major global gold mining company in the development of a broader gold business, both nationally and internationally. The committee met on one occasion during 2007 and each member, except Dr Jonah, was present. In October 2007, the board resolved to dissolve this committee as its objectives are best met at management level.

***Nominations Committee***

The appointment of directors is a matter for the board as a whole but the Nominations Committee is responsible for determining and recommending suitable candidates to the board. The fit and proper standards policy for directors guides this process. The committee is also responsible for establishing and reviewing succession plans for members of the board, particularly those of the chief executive officer and board chairman. The committee, chaired by the board chairman, was actively involved in the selection and recruitment of the company's new CEO and for recommending him for approval to the board. The committee met on three occasions during 2007. All members of the committee who were eligible to be present attended the meetings.

***Political Donations Committee***

The membership of the Political Donations Committee comprises the South African resident independent non-executive directors, and is chaired by the deputy chairman of the board. The committee determines the funding of political parties in South Africa in accordance with a formal policy adopted by the board on April 29, 2003 that sets the guiding principles for funding. No meetings of the committee took place in 2007. Prof Nkuhlu and Mr Pityana were appointed by the board as additional members to this committee during the year.

***Remuneration Committee***

The Remuneration Committee, whose members consist only of independent non-executive directors, namely Mr RP Edey (chairman), Mr RE Bannerman, Prof WL Nkuhlu, Mr FB Arisman, Dr TJ Motlatsi and Mr SM Pityana, is responsible for evaluating the performance of executive directors and executive management, and for setting appropriate remuneration for such officers of the company. Full details of the company's remuneration philosophy, the committee's deliberations during 2007, remuneration payments for all directors and information on the Share Incentive Scheme have been disclosed in "Item 6B.: Compensation" above.

The performances of the executive directors are considered relative to the prevailing business climate and market conditions, as well as to annual evaluations of the achievement of key predetermined objectives. Bonuses paid to executive directors are a reflection of the performance of each of the directors and the company as a whole. The committee, chaired by the board chairman, actively engaged and debated the issues of the retirement package of Mr Godsell and the resignation packages of Messrs Carvalho Silva and Nicolau, as well as the remuneration package of the new CEO, Mr Cutifani. Executive directors have elected to receive no remuneration as directors of the company. The fees of non-executive directors are fixed by shareholders at the annual general meeting and, other than the fees they receive for their participation on board committees and an allowance for travelling internationally to attend board meetings, non-executive directors receive no further payments from the company. The committee met on four occasions during 2007. All members of the committee attended meetings of the committee for which they were eligible to be present except Dr Motlatsi who was unable to attend one meeting. The chairman of the Remuneration Committee attends the annual general meeting to answer any questions from shareholders.

***Safety, Health and Sustainable Development Committee***

This committee is tasked with overseeing the company's performance regarding safety, health and sustainable development, and for establishing targets in relation to each of these areas. The committee, which comprises non-executive directors and executive management (including the chief executive officer) deliberated on the safety concerns faced by the company's South African mines in particular, and on the strategies and methodologies that will enhance the safety and security of all company employees. The committee also called on management to engage external consultants to review the effectiveness of the company's strategy and program to improve safety and health. This review influenced AngloGold Ashanti's recently implemented "Safety is our first value" campaign.

The committee met on five occasions during 2007. All members of the committee attended each committee meeting that they were eligible to attend except for Dr Motlatsi and Mr Pityana, who were each unable to attend one meeting, and Mr Mensah, who did not attend two meetings. Dr Jonah was unable to attend the one meeting which he was entitled to attend.

***Other committees***

In addition to the committees of the board mentioned above, the Executive Committee has established a number of standing committees to oversee the day-to-day management of the company's affairs. The Finance Committee, which meets on an ad hoc basis, is chaired by the chief financial officer and comprises members of senior management in the administrative, financial and legal fields. It is tasked with monitoring all financial, legal and administrative aspects of the company's affairs. The Treasury Committee is chaired by an independent director, Prof Nkuhlu and comprises one other independent director, Mr Arisman, and senior management in the financial discipline. It is responsible for reviewing and evaluating market conditions, treasury operations and future hedging strategies.

**6D. Employees**

The average number of attributable employees in the AngloGold Ashanti group over the last 3 financial years was:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| South Africa | 36,976 | 35,968 | 40,426 |
| Argentina | 1,017 | 906 | 950 |
| Australia | 781 | 479 | 441 |
| Brazil | 4,352 | 4,428 | 3,489 |
| Ghana | 7,549 | 9,443 | 10,304 |
| Guinea | 2,917 | 2,708 | 1,978 |
| Mali | 1,615 | 1,473 | 1,309 |
| Namibia | 409 | 313 | 315 |
| Tanzania | | | |

| | | |
|---|---|---|
| 3,226 | 3,220 | 2,280 |
| USA | | |
| 405 | 369 | 391 |
| **Other*** | | |
| 2,275 | 2,146 | 2,110 |
| **Total** | | |
| 61,522 | 61,453 | 63,993 |

*including corporate and other non-gold producing subsidiaries

The change in employee numbers from 2006 to 2007 was largely a result of increases in employee complement in Australia and Namibia owing to staffing up at the Boddington joint venture and the full impact of the revised shift arrangements at Sunrise Dam, and the full transition to owner-mining at Navachab. In contrast, employee numbers declined in Ghana where restructuring continued at the Obuasi operation.

The change in employees numbers from 2005 to 2006 was largely a result of the go-ahead for Boddington project in Australia and change in shaft arrangements at Sunrise Dam, the expansion at Cuiabá in Brazil; the sale of Bibiani in Ghana, retrenchments at Obuasi and natural attrition; and the full impact of transition to owner-mining in Tanzania.

**Employees and other stakeholder engagement**

The group has in place a set of core business principles which governs its relationships with employees, employee associations and trade unions, neighbouring communities, regulatory authorities, suppliers and customers, and supports the company's vision, mission and values. AngloGold Ashanti recognizes these groups as stakeholders and business partners in its activities and seeks to reduce any potentially adverse effects of its operations and business. As a company with extensive mining and metallurgical processing operations, key areas of focus are the management of occupational health and safety, regional health, social and environmental impacts. More detailed disclosure on these may be found in the Report to Society 2007, available at www.aga-reports.com.

**Unions and collective bargaining**

Freedom of association, in particular, is recognized as a fundamental right within the group, and collective bargaining is encouraged in those countries where the relevant structures exist. Management/union relationships are governed by collective bargaining, recognition and company-negotiated agreements in respect of all of the group's operations, with 93 percent (2006: 85.6 percent) of the global workforce represented by recognized trade unions or provided for by way of collective bargaining processes. AngloGold Ashanti is a strong supporter of collective bargaining.

Although only 87 percent of all South African employees are members of unions, 97.5 percent fall under collective bargaining agreements, including the agency-shop agreement. The agency shop agreement exists across the lower bargaining unit at the South African operations. This agreement provides for the contribution by non-union members of 0.75 percent of basic monthly pay to a fund which is used to address work and social needs of that bargaining group. This has been negotiated because union members pay 1 percent of their basic pay as union dues. The outcome of wage negotiations with the unions applies to all employees within that bargaining unit, whether they are union members or not.

The only exceptions to the collective bargaining arrangements are operations in the United States and Australia, where employees (as is common practice in these countries) are not members of unions, but where a high degree of employee participation is encouraged.

There were no significant disputes or strikes at any of the group's operations during the year. The most significant agreements reached between the company and unions during the year were the review of wages and other conditions of service in both South Africa and Ghana.

In South Africa, a two-year agreement, effective July 2007, was entered into between AngloGold Ashanti, through the Chamber of Mines, NUM and Solidarity. The agreement provides for:

- wage increases of between 8 percent and 10 percent, with the highest increase for the lowest job category and for key skills;
- a wage increase in the second year of CPIX plus 1 percent, subject to a minimum guaranteed increase of 8 percent;

- an increase in medical incapacitation benefits and an increase in funeral cover;
- improvements in accommodation subsidies; and
- an increase in family responsibility leave from three days to four days.

In Ghana, the 3-year agreement which was negotiated in 2006 between AngloGold Ashanti and the Ghana Mine Workers' Union is still current.

Generally, conditions of service, including minimum notice periods and negotiation practices with employees and employee representatives, are guided by country legislation, collective bargaining agreements and individual contracts of employment and therefore vary from region to region.

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**6E. Share ownership**
**Share ownership of directors**
Directors held the following number of ordinary shares of the company at December 31, 2007 and 2006, which did not
individually or in the aggregate exceed 1 percent of the company's issued ordinary share capital:

| | December 31, 2007 | | | December 31, 2006 | | |
|---|---|---|---|---|---|---|
| | Beneficial | Beneficial | | Beneficial | Beneficial | |
| | Direct | Indirect | Non-beneficial (1) | Direct | Indirect | Non-beneficial (1) |
| **Executive directors** | | | | | | |
| M Cutifani | – | – | – | – | – | – |
| R Carvalho Silva (resigned September 30, 2007) | – | – | – | – | – | – |
| R M Godsell (retired September 30, 2007 | – | – | – | 13,010 | – | – |
| N F Nicolau (resigned November 12, 2007) | – | – | – | 3,000 | – | – |
| S Venkatakrishnan | | | | | | |

652
–
–
652
–
–
K H Williams
–
–
–
–
–
–
**Total** **652**
–
–
**16,662**
–
–
**Non-executive directors**
F B Arisman
–
2,000
–
–
2,000
–
Mrs E Ie R Bradley
–
23,423
3,027
–
23,423
3,027
CB Brayshaw (retired May 5, 2007)
–
–
–
–
–
–
C Carroll (appointed May 5, 2007, resigned October 9, 2007)
–
–
–
–
–
–
R P Edey
–

1,000
–
–
1,000
–
Dr S E Jonah (resigned February 12, 2007)
–
–
–
–
18,469
–
R Médori (resigned October 9, 2007)
–
–
–
–
–
–
Dr T J Motlatsi
–
–
–
–
–
–
W A Nairn
–
–
–
–
–
–
W L Nkuhlu
–
–
–
–
–
–
SM Pityana
–
–
–
–
–
–
S R Thompson
–
–
–

–
–
–
A J Trahar (retired May 5, 2007)
–
–
–
–
–
–
P L Zim (retired August 4, 2006)
–
–
–
–
–
–
**Total**
–
**26,423**
**3,027**
– **44,892**
**3,027**
**Alternate directors**
DD Barber (resigned August 4, 2006)
–
–
–
–
–
–
A H Calver (resigned July 11, 2007)
–
–
–
–
–
–
P G Whitcutt (resigned October 9, 2007)
–
–
–
–
–
–
**Total –**
**–**
**–**
**–**
**–**
**–**

**Grand Total**
**652**
**26,423**
**3,027**
**16,662**
**44,892**
**3,027**

*(1)*
*The director derives no personal benefit from the ordinary shares declared, for example by holding the ordinary shares in trust for another.*

Except for Mr Arisman and Prof Nkuhlu, who, after receiving permission to do so from the chairman of the company, acquired
2,000 AngloGold Ashanti shares (in the form of ADSs) on February 22, 2008 and 800 AngloGold Ashanti shares on May 13,
2008, respectively, there have been no other changes in the above interests since December 31, 2007. A register detailing
directors' and officers' interests in contracts is available for inspection at the company's registered and corporate office.

**Share ownership of executive officers/executive management**

Under the Listings Requirements of the JSE, AngloGold Ashanti is not required to disclose, and it does not otherwise disclose
or ascertain, share ownership of individual executive officers/executive management in the share capital of AngloGold Ashanti.
However, to the best of its knowledge, AngloGold Ashanti believes that AngloGold Ashanti ordinary shares held by executive
officers, in aggregate; do not exceed 1 percent of the company's issued ordinary share capital.

**Share ownership of employees**

At a general meeting of shareholders held on December 11, 2006, members approved the creation of 4,280,000 new E ordinary shares of 25 South African cents pursuant to an employee share ownership plan for the benefit of certain AngloGold Ashanti employees, of which the majority are historically disadvantaged South Africans as defined in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry.

All the authorised E-ordinary shares have been issued, of which, 2,880,000 E ordinary shares were issued to the Bokamoso ESOP Trust which holds these shares on behalf of approximately 31,000 employees.

**AngloGold Share Incentive Scheme**

AngloGold Ashanti operates a share incentive scheme for the purpose of providing an incentive to executive directors, executive officers/executive management and other managers to identify more closely with the fortunes of the group and its continued growth, and to promote the retention of such employees by giving them an opportunity to acquire ordinary shares in the company. Non-executive directors are not eligible for participation in the share incentive scheme.

The incentives offered by AngloGold Ashanti are reviewed periodically to ensure that these incentives are globally competitive, so as to attract, reward and retain management of the highest caliber. As a result, several types of incentives, each with their own issue and vesting criteria have been granted to employees – collectively known as the AngloGold share incentive scheme or share incentive scheme.

Under the terms of the AngloGold share incentive scheme, which was approved by the shareholders at the general meeting held on June 4, 1998, and with the introduction of the Bonus share plan and Long-term incentive plan approved by the shareholders at the annual general meeting held on April 29, 2005, the maximum number of ordinary shares that may be allocated for the purposes of the share incentive scheme is equivalent to 2.75 percent of the total number of AngloGold Ashanti ordinary shares in issue at any time. As of December 31, 2007 and 2006, this equated to 7,630,080 and 7,641,766 ordinary shares, respectively were available for purposes of the scheme. As of May 15, 2008, 7,641,099 ordinary shares may be allocated for the purposes of the share incentive scheme.

At the annual general meeting held on April 29, 2005, shareholders approved the amendment to the maximum aggregate number of ordinary shares which may be acquired by any one participant from 300,000 to 5 percent of the 2.75 percent attributable to the share incentive scheme (or 0.1375 percent of the total number of ordinary shares in issue at any one time).

As of December 31, 2007 and 2006, this equated to 381,504 and 379,824 ordinary shares, respectively. As of May 15, 2008, 382,055 ordinary shares, in aggregate, may be granted to any one participant.

Employees participate in the scheme to the extent that they are granted options, shares or rights and accept them. All options or rights which have not been exercised within ten years from the date on which they were granted automatically expire, unless otherwise stated.

Although the remuneration committee has the discretion to incentivize employees through the issue of shares, only options or rights have so far been granted. The type and vesting criteria of the options or rights granted are:

*Time-related*

The granting of time-related options was approved by shareholders at the general meeting held on June 4, 1998 and amended by shareholders at the annual general meeting held on April 30, 2003, at which time it was agreed that no further *time-related* options would be granted. All options granted hereunder will terminate on February 1, 2012, being the date on which the last options granted under these criteria may be exercised or will expire. Each time-related option entitles the holder to acquire one ordinary share at a price equal to the closing price of ordinary shares on the JSE on the last business day prior to the date of grant.

Time-related options vest over a five-year period from date of grant, and may be exercised in tranches of 20 percent each in years 2, 3 and 4 and 40 percent in year 5. As of December 31, 2007, all options granted and outstanding have vested in full.

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*Performance-related*
Performance-related options were approved by shareholders at the annual general meeting held on April 30, 2002 and amended at the annual general meeting held on April 29, 2005 at which time it was agreed that no further performance-related options would be granted. All options granted hereunder will terminate on November 1, 2014, being the date on which the last options granted under these criteria may be exercised or will expire. Each performance-related option entitles the holder to acquire one ordinary share at a price equal to the closing price of ordinary shares on the JSE on the last business day prior to the date of grant.
Performance-related options may be exercised in full, three years after date of grant, provided that the conditions on which the options were granted, namely the performance of the company as determined by the directors at date of grant, are met. All options granted and outstanding vested in full on November 1, 2007.
*Bonus share plan* (BSP)
The granting of rights in terms of the BSP was approved by shareholders at the annual general meeting held on April 29, 2005.
Executive directors, executive officers/executive management and other management groups are eligible for participation.
Each award made in respect of the BSP entitles the holder to acquire one ordinary share at "nil" cost. Awards granted vest in full, three years from date of grant, provided that the participant is still in the employ of the company at the date of vesting, unless an event occurs which may result in an earlier vesting, such as death.
*Long-term incentive plan* (LTIP)
The granting of rights in terms of the LTIP was approved by shareholders at the annual general meeting held on April 29, 2005.
Executive directors, executive officers and selected senior management are eligible for participation. Each award made in respect of the LTIP entitles the holder to acquire one ordinary share at "nil" cost. Options granted vest three years after date of grant, to the extent that the performance conditions under which the options were granted, are met, and provided that the participant is still in the employ of the company, or unless an event occurs which may result in an earlier vesting, such as death.
The movement in respect of options and rights granted and the ordinary shares issued as a result of the exercise of options and rights during the period January 1, 2007 to December 31, 2007 was as follows:
**Time-**
**related**
**Performance-**
**related**
**Bonus**
**share**
**plan**
**Long-term**
**incentive**

**plan**
**Total**
**Average**
**exercise**
**price per**
**ordinary**
**share – R**
**Ordinary**
**shares**
**issued**
At January 1, 2007
473,260
2,585,800
480,585
660,175
**4,199,820**
166.64 3,114,077
Movement during the year
- Granted
-
*12,600
296,495
321,664
**630,759**
-
- Exercised
266,300
874,874
40,708
-
**1,181,882**
210.31 1,181,882
- Lapsed (terminations)
-
85,326
50,704
198,414
**334,444**
62.78
At December 31, 2007
206,960
1,638,200
685,668
783,425
**3,314,253**
130.74 4,295,959
Average exercise/issue price
per share - R
124.68 248.76
-
-

**130.74**

* Correction of prior year lapsings in error.

During the period January 1, 2008 to and including May 15, 2008, 367,691 BSP awards and 480,584 LTIP awards were
granted at a market price of R267.05 per award and 135,299 options or rights were exercised.

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**Option ownership of directors, executive officers/executive management and other management**
Under the Listings Requirements of the JSE, AngloGold Ashanti is required to disclose the option or rights ownership of
individual directors. Under those requirements, AngloGold Ashanti is not required to, and it does not otherwise, disclose option
or rights ownership of individual executive officers/executive management and other management.
The table below shows the movement in respect of options or rights held by executive directors on an individual basis, and by
executive officers and managers, each as a group, to December 31, 2007.
**M. Cutifani**
**R M Godsell**
**R Carvalho**
**Silva**
**N F Nicolau**
**S Venkat-**
**akrishnan**
**Total**
**directors**
**Total**
**Executive**
**officers**
**Total other**
**Total scheme**
**Balance at**
**January 1, 2007**
Number –
259,925
69,160
53,380
29,590
412,055
508,225
3,279,540
4,199,820
**Granted during**
**year**
Number –
32,540
15,806
15,806
15,806
79,958
100,391
450,410
630,759
**Exercised during**
**year**
Number –
147,728
37,096

23,400
–
208,224
72,552
901,106
1,181,882
Pre-tax gain, after expenses at date of exercise – R value (R000)
–
35,664 4,574
2,367
–
42,608
11,484 87,538
141,627
**Lapsed during the year**
Number –
78,737
41,870
–
–
120,607
12,698
201,139
334,444
**Held as at December 31, 2007**
Number –
66,000
6,000
45,786
45,396
163,182
523,366
2,627,705
3,314,253
**Latest expiry date**
– Sept 30, 2008
Sept 30, 2008
Nov 12, 2008
Mar 15, 2017
Mar 15, 2017
Mar 15, 2017

Of the 3,314,253 options or rights granted and outstanding at December 31, 2007, 1,845,160 options are fully vested and 208,551 options vested on May 4, 2008 in terms of the BSP, while 105,640 options vested on May 4, 2008 with 158,460 options lapsing in terms of the LTIP.

Non-executive directors are not eligible to participate in the scheme and therefore own no options.

## Item 7: Major shareholders and related party transactions

### Overview

### Description of AngloGold Ashanti's share capital

AngloGold Ashanti's share capital consists of four classes of stock:

- Ordinary shares, par value 25 cents each (the "ordinary shares");
- E-Ordinary shares, par value 25 cents each (the "E-ordinary shares");
- A redeemable preference shares, par value 50 cents each (the "A preference shares"); and
- B redeemable preference shares, par value 1 cent each (the "B preference shares").

The authorized and issued share capital of AngloGold at December 31, 2007, is set out below:

| **Title of class** | **Authorized** | **Issued** |
|---|---|---|
| Ordinary shares | 400,000,000 | 277,457,471 |
| E-ordinary shares | 4,280,000 | 4,140,230 |
| A preference shares | 2,000,000 | 2,000,000 |
| B preference shares | 5,000,000 | 778,896 |

All the issued ordinary shares, E-ordinary shares, A redeemable preference shares and B redeemable preference shares are fully paid and are not subject to further calls or assessment by AngloGold Ashanti.

For a discussion of rights attaching to the ordinary shares, E-ordinary shares, A redeemable preference shares and B redeemable preference shares, see "Item 10B.: Memorandum and Articles of Association".

The following are the movements in the issued ordinary share capital at December 31.

| | **2007** | | **2006** | | **2005** | |
|---|---|---|---|---|---|---|
| **Issued** | **Number of ordinary shares** | **Rand** | **Number of ordinary shares** | **Rand** | **Number of ordinary shares** | **Rand** |

At January 1,
276,236,153
69,059,038 264,938,432
66,234,608 264,462,894
66,115,724

**Issues during year**

- $500 million Equity Raising
–
–
9,970,732
2,492,683
–
–
- Bokamoso ESOP and BEE transaction (approved by shareholders on December 11, 2006)
31,410
7,852
–
– –
–
- Bokamoso ESOP on conversion of E-ordinary shares 8,026
2,007
928,590
232,147
–
–
- Exercise of options by participants in the AngloGold Share Incentive Scheme
1,181,882
295,471
398,399
99,600
475,538
118,884

At December 31,
277,457,471
69,364,368 276,236,153
69,059,038 264,938,432
66,234,608

During the period January 1, 2008 to and including May 15, 2008, 400,679 ordinary shares were issued at an average issue
price of R257.84 per share, resulting in 277,858,150 ordinary shares being in issue at May 15, 2008

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**7A. Major shareholders**
According to information available to the directors, the following are the only shareholders holding, directly or indirectly, more
than 5 percent of the ordinary share capital of the company at December 31:
**Ordinary shares held at**
**December 31, 2007**
**December 31, 2006**
**December 31, 2005**
**Shareholder ***
**Number**
**% voting**
**rights**
**Number %**
**voting**
**rights**
**Number %**
**voting**
·
**rights**
Anglo American plc (AA plc)
46,002,929
16.58
115,102,929
41.67
134,788,099
50.88
Allan Gray Limited
26,369,033
9.51
Not disclosed
Not disclosed
Tradewinds Global Investors LLC
22,858,453
8.25
Not disclosed
Not disclosed
Public Investment Corporation
26,937,476
9.71
Not disclosed
Not disclosed
·
*May not necessarily reflect the beneficial shareholder.*
At December 31, 2007, The Bank of New York Mellon held 82,550,854 ordinary shares through various custodians in respect
of American Depositary Shares issued by them pursuant to the AngloGold Ashanti sponsored ADR program. The number of
persons who were registered holders of ADSs was reported at 3,914. AngloGold Ashanti is aware that many ADSs are held off
record by brokers and other nominees, and accordingly the above numbers are not necessarily representative of the

actual
number of persons who are beneficial holders of ADSs or the number of ADSs beneficially held by these persons.
The company's major shareholders have the same voting rights as other holders of AngloGold Ashanti ordinary shares and do
not have any different or special voting rights.
As at December 31, 2007, there were 19,250 holders of record of AngloGold Ashanti ordinary shares. Of these holders
388 had registered addresses in the United States and held a total of 74,019 ordinary shares, approximately 2.7 percent of the
total outstanding ordinary shares. In addition, certain accounts of record with registered addresses outside the United States,
including The Bank of New York, hold AngloGold Ashanti ordinary shares, in whole or in part, beneficially for United States
persons.
All the issued A and B preference shares are held by Eastvaal Gold Holdings Limited, AngloGold Ashanti's wholly-owned
subsidiary. The articles of association of AngloGold Ashanti provide that the A redeemable preference shares and the
B redeemable preference shares are not transferable.
The E Ordinary shares are held by Izingwe Holdings (Proprietary) Limited, an empowerment company and the Bokamoso
ESOP Trust, which holds the shares on behalf of employees who qualify in terms of the BEE transaction as approved by the
AngloGold Ashanti shareholders on December 11, 2006. Neither the Bokamoso ESOP Trust nor Izingwe Holdings
(Proprietary) Limited may sell their shares or any portion of their shares without the written consent of AngloGold Ashanti.
Insofar as is known to AngloGold Ashanti as of December 31, 2007, there was no person who, directly or indirectly, jointly or
severally, exercised or could exercise control over AngloGold Ashanti, nor is AngloGold Ashanti aware of any arrangements
which might result in a change in control of AngloGold Ashanti.

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**7B.**
**Related party transactions**
On October 26, 2005 Anglo American plc (AA plc) announced that it intended to reduce its shareholding in the Company, while
still intending to remain a significant shareholder in the medium term. During April 2006, AA plc reduced its shareholding in the
Company to less than 50 percent interest held, as the result of the sale in a public offering, of some of its shares held in the
Company and during October 2007, further to 16.61 percent interest held. As at December 31, 2007, AA plc and its
subsidiaries held an effective 16.58 percent (2006: 41.67 percent) interest in AngloGold Ashanti. The Company had the
following transactions with related parties during the years ended December 31, 2007, 2006 and 2005:

| | December 31, 2007 | | December 31, 2006 | | December 31, 2005 |
|---|---|---|---|---|---|
| (in millions) | Purchases (by)/from related party $ | Amounts owed to/(by) related party $ | Purchases (by)/from related party $ | Amounts owed to/(by) related party $ | Purchases (by)/from related party $ |
| **Related party transactions with significant shareholder AA plc** | - | - | 1 | - | 5 |
| **Related party transactions with subsidiaries of AA plc** (1) | | | | | |
| Boart Longyear Limited – mining services (2) | - | | | | |

-
-
-
5
Mondi Limited – forestry
-
-
5
-
16
Scaw Metals – A division of Anglo Operations Limited –
steel and engineering
-
-
1
-
6
Haggie Steel Wire Rope Operations
(3)
-
-
1
-
8
Anglo Coal – a division of Anglo Operations Limited
-
-
-
-
1
**Related party transactions of equity accounted joint ventures and associates**
Oro Group (Proprietary) Limited
-
(2)
-
(2)
-
Societe d'Exploitation des Mines d'Or de Sadiola S.A.
(7)
(2)
(4)
(1)
-
Societe d'Exploitation des Mines d'Or de Yatela S.A.
(3)
(1)
(6)
(1)
(2)
Societe des Mines de Morila S.A.

(5)
(2)
(4)
-
(2)
Trans-Siberian Gold plc
(1)
(11)
-
(10)
-
*(1)*
*Transactions to April 2006.*
*(2)*
*AA plc sold their interest in Boart Longyear Limited with effect from July 29, 2005.*
*(3)*
*Previously included in Scaw Metals – A division of Anglo Operations Limited.*
Amounts owed to/due by joint venture related parties and the loan balance due to Goldmed Medical Scheme of $1 million
(2006: $nil), are unsecured, non-interest bearing and under terms that are no less favorable than those with third parties.
The Trans-Siberian Gold plc loan bears interest at LIBOR plus 4 percent and is convertible into equity under certain circumstances at the option of the borrower.
The Oro Group (Proprietary) Limited loan bears interest at a rate determined by the Oro Group (Proprietary) Limited's board of
directors and is repayable at their discretion.

The Company, which holds an equity interest of 29.8 percent in Trans-Siberian Gold plc (TSG), entered into a transaction during the quarter ended June 30, 2007 with TSG in which two companies were acquired from TSG for a cash consideration of $40 million. The companies acquired consist of Amikan (which holds the Veduga deposit, related exploration and mining licenses) and AS APK (which holds the Bogunay deposit, related exploration and mining licenses).

In connection with the relocation of Roberto Carvalho Silva, an executive director of the Company since 2005, to Nova Lima, Brazil, in 2000, Mr. Carvalho Silva commenced renting a house in Nova Lima from a Brazilian subsidiary of the Company. Mr. Carvalho Silva purchased the house from the Company’s subsidiary in January 2005. The total purchase price of the house was BRL1,150,000 ($429,923). Mr. Carvalho agreed to pay the purchase price of the house in 60 installments, the first being BRL19,167.70 and 59 installments of BRL19,166.65 each, starting on January 28, 2005. Such monthly installments were adjusted annually by the cumulative INPC (a Consumer Price Index in Brazil) in lieu of interest. As at December 31, 2006, BRL728,580 ($340,458) of the purchase price remained to be paid to the Company’s subsidiary, with BRL657,717 ($341,352) remaining to be paid as at June 20, 2007. The remaining balance was repaid on or about August 31, 2007.

A Brazilian subsidiary of the Company received marketing, communications and corporate affairs services from a Brazilian company in which a son of Roberto Carvalho Silva owns a one-third interest. The amounts paid by the Company’s subsidiary to this company in respect of such services during the years were: 2007: BRL634,023 ($329,055), in 2006: BRL903,465 ($414,433) and in 2005: BRL311,923 ($127,837). The Company terminated the agreement with the Brazilian marketing, communications and corporate affairs services company with effect July 2007.

**Registration rights agreement**

On March 23, 2006 the company entered into a Registration Rights Agreement with Anglo South Africa Capital (Proprietary) Limited (Anglo South Africa) under which the company has agreed to file U.S. registration statements for Anglo South Africa’s offer and sale of shares it holds in the company (each a Demand Registration) if Anglo South Africa requests the company to do so. The company is required to use all reasonable efforts to file a Demand Registration within 30 days after such a request and to keep it effective for 90 days unless the shares offered pursuant to it are sold earlier. Further, the company may not offer, sell, allot or issue any shares or other securities that are convertible into or exchangeable for, or that represent the right to receive, shares, whether pursuant to U.S. registration or otherwise, for a 90-day period immediately following the first closing of an offering pursuant to a Demand Registration or a shorter period as may be imposed by underwriters in the Demand Registration; except: (i) in consideration for shares or assets of a company as part of a merger, acquisition, corporate reorganization or similar transaction, (ii) as required pursuant to the terms governing the 2.375 percent guaranteed convertible bonds due 2009, issued by AngloGold Holdings plc and guaranteed by the company, and (iii) in connection with any option, employee bonus, profit sharing, pension, retirement, incentive, savings or similar plan, agreement or award. The Registration Rights Agreement may be terminated at any time by written consent by each of the parties thereto. The Registration Rights Agreement shall terminate automatically on the first date on which Anglo South Africa is no longer an "affiliate" within the meaning of Rule 144 under the United States Securities Act of 1933, as amended.

**7C.**

**Interests of experts and counsel**

Not applicable.

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**Item 8: Financial information**
**8A.**
**Consolidated financial statements and other financial information**
See "Item 18: Financial statements".
**Legal proceedings**
No director or officer of AngloGold Ashanti has either a direct or indirect position adverse to AngloGold Ashanti.
In the previous 12 months, there have been no governmental, legal or arbitration proceedings in which any member of the AngloGold Ashanti group is or has been engaged, including any such proceedings which are pending or threatened of which AngloGold Ashanti is aware, which may have, or have had during the recent past, a significant effect on AngloGold Ashanti or its group's financial position or profitability.
The company is involved in the following cases:

- In South Africa, action has been instituted by 19 plaintiffs, against Anglo American Corporation of South Africa Limited (AACSA) for damages resulting from lung diseases which the plaintiffs allegedly contracted while employed by mining companies managed by AACSA. There is a possibility that AACSA may seek to recover a portion of damages which may be awarded against it from AngloGold Ashanti by either AACSA or the plaintiffs. Exceptions filed by Anglo American against 10 actions were upheld. At present, nine actions remain. There is no indication at present of the merit of any such claim. A separate action was instituted against AngloGold Ashanti in 2006 by one of the plaintiffs out of the High Court, Witwatersrand Local Division, for damages allegedly suffered by him as a result of alleged silicosis allegedly contracted while working on mines now owned by AngloGold Ashanti. An exception was filed by AngloGold Ashanti against the claim which was heard on February 12 and 13, 2008 and AngloGold Ashanti is awaiting the judgement of the High Court.
- In South Africa action has been instituted by a group of AngloGold Ashanti pensioners against the company for introducing a CPIX cap to post retirement health care contributions by the company. The company maintains that its action is justifiable and fair given the circumstances and precedent. Summons has been issued by the plaintiffs demanding that AngloGold Ashanti restore the level of contributions to what pertained before the introduction of the cap. The company has excepted to the summons on the basis of it being vague and embarrassing. The exception was heard on February 18, 2008 and the exception was dismissed. AngloGold Ashanti is considering taking another exception on other aspects of the plaintiffs' particulars of claim.
- In Ghana, Westchester / Africore Limited instituted action against Ashanti Goldfields Company Limited in the High Court in Accra claiming damages for breach of Exploration and Option Agreement. A provision in the Agreement states that the parties should settle the matter by arbitration under the Arbitration Act of Ghana. The plaintiffs have applied to pursue the

matter through arbitration in Ghana.

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In Ghana, a group calling itself Ashanti Miners' Club formed by ex-contract workers are claiming that the company should
pay them compensation because their salaries were not aligned to the United States dollar and that they should have been paid as permanent employees during the subsistence of their contracts with the company. The matter was taken to
arbitration with the Ministry of Manpower Development and Employment in Ghana appointing a sole arbitrator to arbitrate
and make an award. The award by the arbitrator was generally in favour of the company. The plaintiffs took further action,
claiming that they are dissatisfied with the findings and award of the arbitrator.

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In the Democratic Republic of Congo, twenty eight former expatriate employees of AngloGold Ashanti Kilo (AngloGold
Ashanti's subsidiary in the Democratic Republic of Congo) have made claims for salary arrears, severance pay, damages
and interest jointly and severally against AngloGold Ashanti Kilo and AngloGold Ashanti Ghana, the immediate holding
company. Some of these former expatriates have instituted proceedings in the Brussels Labor Court claiming varying amounts but these have remained pending for some time now.

In Tanzania Joshua Manyelo and 36 others have instituted action against Geita Gold Mining Company. It is a representative lawsuit whereby the claimants claim to have received Tshs 185,045,482.00 in compensation but they claim
to be entitled to a payment of Tshs 3.6 billion. They are suing for the balance of Tshs 3.6 billion (approximately US$2.8
million). The case has been set down for mention on May 15, 2008.

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In Tanzania Senior Staff members have instituted a claim against Geita Gold Mining Company for overtime hours to the
value of Tshs 3.6 billion (approximately US$2.8 million). Mediation has failed and it is likely that the staff members will file
a case in the Labor Court.

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- In Brazil, Mineração Serra Grande S.A. (MSG), the operator of the Crixas mine in Brazil, has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export: one for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the State of Goiás through a branch located in a different Brazilian State, it must obtain an authorization from the Goiás State Treasury by means of a Special Regime Agreement (*Termo de Acordo re Regime Especial – TARE*). The MSG operation is co-owned with Kinross Gold Corporation. The company's attributable share of the first assessment is approximately $39 million. Although MSG requested the *TARE* in early 2004, the *TARE,* which authorized the remittance of gold to the Company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006. In November 2006 the administrative council's second chamber ruled in favor of MSG and fully canceled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first assessment, and the Company's attributable share of the assessment is approximately $24 million. The Company believes both assessments are in violation of federal legislation on sales taxes.
- Morro Velho and AngloGold Ashanti Brasil Mineração are involved in disputes with tax authorities. These disputes involve eleven federal tax assessments including income tax, social contributions and annual property tax based on ownership of properties outside of urban perimeters (ITR).
- In Brazil, Mineração Serra Grande S.A. (MSG) received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold allegedly returned from the branch in Minas Gerais to the company head office in the State of Goais. The company lost the case at the administrative level but is now discussing it at the judicial sphere. The company believes there is a remote chance of success for the State of Minas Gerais. The company's attributable share of the assessment is approximately $8 million.

**Dividend policy**

Dividends are proposed and approved by the board of directors of AngloGold Ashanti, based on the interim and year end financial performance. Dividends are recognized when declared by the board of AngloGold Ashanti and may be payable in Australian dollars, South African rands, United Kingdom pounds or Ghanaian cedis.

Dividends declared to foreign shareholders are not subject to the approval by the South African Reserve Bank (SARB) in terms of South African foreign exchange control regulations. Dividends are freely transferable to foreign shareholders from both trading and non-trading profits earned in South Africa by publicly listed companies.

Under South African law, the company may declare and pay dividends from any reserves included in total shareholder's equity (including share capital and share premium) calculated in accordance with International Financial Reporting Standards

(IFRS),
subject to its solvency and liquidity.
A potential restriction on dividends arises from the terms applicable to AngloGold Ashanti's convertible bond. Legal opinion is
that the size of the dividends declared should be tested against condition 6(b)(iii) of the convertible bond and if triggered the
conversion price should be adjusted, however the condition is not prohibitive.
The limit set by this condition is that it is triggered if the dividend declared in the current year exceeds the lesser of:

- 200 percent of the dividends paid in the previous financial year; or
- 5 percent of the volume weighted average share price over 180 days trading immediately preceding the record date of the dividend.

AngloGold Ashanti expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the
future or as to the particular amounts that will be paid from year to year. The payment of future dividends will depend upon the
Board's ongoing assessment of AngloGold Ashanti's earnings, after providing for capital expenditure and long-term growth, cash and
debt resources, the amount of reserves available for dividend using going concern assessment and restrictions
placed by the conditions of the convertible bond and other factors.

**8B. Significant changes**

None.

**Item 9: The offer and listing**

**9A.**

**Offer and listing details**

The following table sets out, for the periods indicated, the reported high and low market quotations for AngloGold Ashanti’s ordinary shares on the JSE and for its sponsored ADSs on the NYSE:

| | **JSE** | | **NYSE** (1) | |
|---|---|---|---|---|
| | **High** | **Low** | **High** | **Low** |
| **Year ended December 31** | **(South African cents per ordinary share)** | | **(US dollars per ADS)** | |
| **Annual information** | | | | |
| **2003** | 33,900 | 19,100 | 49.95 | 27.10 |
| **2004** | 31,900 | 18,620 | 48.25 | 29.91 |
| **2005** | 31,990 | 18,700 | 49.88 | 30.50 |
| **2006** | 38,700 | 24,700 | 62.20 | 35.58 |
| **2007** | 35,889 | 25,400 | 49.88 | 33.80 |
| **Quarterly information** | | | | |
| **2006** | | | | |
| First quarter | 38,700 | 29,005 | 62.20 | 46.51 |
| Second quarter | 35,621 | 24,700 | 58.36 | 37.17 |
| Third quarter | | | | |

36,050
27,500
51.07
37.10
Fourth quarter
35,000
28,250
48.91
35.58
**2007**
First quarter
35,889
30,300
49.34
41.10
Second quarter
35,322
26,100
49.42
37.10
Third quarter
33,600
25,400
47.92
33.80
Fourth quarter
34,100
27,781
49.88
40.00
**Monthly information**
September 2007
33,600
26,610
47.92
39.32
October 2007
31,999
29,100
46.68
41.99
November 2007
34,100
27,910
49.88
42.05
December 2007
33,600
27,781
48.64
40.00

January 2008
34,900
28,100
51.35
40.44
February 2008
31,500
25,501
42.29
33.44
March 2008
30,350
24,801
37.75
30.50
April 2008
29,982
25,052
37.96
32.90
May 2008
(2)
31,145
24,700
40.91
32.94
*(1)*
*Each ADS represents one ordinary share.*
*(2)*
*Through May 15, 2008.*
See "Item 7A.: Major shareholders" for number of ADSs outstanding at December 31, 2007.
**9B.**
**Plan of distribution**
Not applicable.

**9C. Markets**

**Nature of trading market**

Prior to June 29, 1998, the date on which Anglo American Corporation of South Africa Limited's gold mining interests were
consolidated into a single, focused, independent, global gold mining company, ordinary shares of AngloGold (formerly Vaal
Reefs) were listed on the Johannesburg Stock Exchange (JSE), the London Stock Exchange (LSE) and the Paris bourse, were
quoted in Brussels in the form of International Depositary Receipts and were listed under grandfathered unsponsored
American Depositary Receipts (ADR) programs on the Nasdaq SmallCap Market. Shares of Freegold, Western Deep Levels
and Southvaal were also listed under grandfathered unsponsored ADR programs on the Nasdaq SmallCap Market.
Historically, the principal trading markets for such shares (as well as for shares of Freegold, Western Deep Levels and
Southvaal) had been the JSE and Nasdaq. As part of the consolidation, shares of AngloGold, Freegold, Western Deep Levels
and Southvaal were delisted from Nasdaq and shares of all participating companies were delisted from the JSE.
With effect from the implementation of the consolidation, the ordinary shares were listed on the JSE, the LSE and the Paris
bourse and were quoted in Brussels in the form of International Depositary Receipts. In addition, American Depositary Shares
(ADSs) each representing half of one ordinary share and evidenced by ADRs issued by The Bank of New York under a
program sponsored by AngloGold were listed on the New York Stock Exchange (NYSE) on August 5, 1998.
The company was admitted to the official list of the Australian Stock Exchange (ASX) on November 15, 1999. The ordinary
shares of the company issued in connection with the acquisition of the entire issued share capital of Acacia Resources Limited
trade on the ASX. On November 28, 2001, AngloGold implemented a 10-for-1 split of the AngloGold CHESS Depositary
Interests (CDIs), which trade on the Australian Stock Exchange.
Effective at the close of business on December 24, 2002, AngloGold undertook a 2-for-1 stock split and a corresponding
change in the ratio of ordinary shares to ADSs from 0.5 ordinary shares per one ADS to one ordinary share per one ADS. At
the same time, the ratio of ordinary shares to CDIs changed from one ordinary share equivalent to ten CDIs to one ordinary
share equivalent to five CDIs.
On April 26, 2004, the business combination with Ashanti became effective, at which time, AngloGold changed its name to
AngloGold Ashanti. Following the business combination, the company's ordinary shares were listed on the Ghana Stock
Exchange (GhSE). In addition, Ghanaian Depositary Shares (GhDSs) were listed on the GhSE each representing one-
hundredth of an ordinary share and evidenced by GhDSs issued by NTHC Limited (as Depositary) under a program sponsored
by AngloGold Ashanti.

**9D. Selling shareholders**

None.

**9E. Dilution**

None.

**9F.**

**Expenses of the issue**

None.

## Item 10: Additional information

### 10A. Share capital

**AngloGold Ashanti's Ordinary Shares and Preference Shares**

AngloGold Ashanti's authorized and issued share capital as of December 31, 2007 and May 15, 2008 (being the latest practicable date prior to the publication of this document) is set out below:

| **Title of Class** | **Authorized** | **Issued** | |
|---|---|---|---|
| | | **May 15, 2008** | **December 31, 2007** |
| Ordinary shares | 400,000,000 | 277,858,150 | 277,457,471 |
| E ordinary shares | 4,280,000 | 4,055,870 | 4,140,230 |
| A redeemable preference shares | 2,000,000 | 2,000,000 | 2,000,000 |
| B redeemable preference shares | 5,000,000 | 778,896 | 778,896 |

All of the issued ordinary shares, E ordinary, A redeemable preference shares and B redeemable preference shares are fully paid and are not subject to further calls or assessment by AngloGold Ashanti.

All of the A redeemable preference shares and B redeemable preference shares are held by Eastvaal Gold Holdings Limited, AngloGold Ashanti's wholly-owned subsidiary. AngloGold Ashanti's Articles of Association provide that the A redeemable preference shares and B redeemable preference shares are not transferable.

The table below details changes in the ordinary issued share capital of AngloGold since December 31, 2004.

| **Period to** | **Description** | **Number of Shares** |
|---|---|---|
| December 31, 2004 | | 264,462,894 |
| Ordinary shares issued during 2005 | AngloGold Share Incentive Scheme | 475,538 |
| December 31, 2005 | | 264,938,432 |
| Ordinary shares issued during 2006 | AngloGold Share Incentive Scheme | 398,399 |
| | USD500 million equity raise | |

9,970,732
Employee Share ownership program
928,590
December 31, 2006
276,236,153
Ordinary shares issued during 2007
AngloGold Share Incentive Scheme
1,181,882
Employee Share ownership program
31,410
Employee Share ownership program – on
conversion of E ordinary shares
8,026
December 31, 2007
277,457,471
Ordinary shares issued to May 15, 2008
AngloGold Share Incentive Scheme
400,585
Ordinary shares issued to May 15, 2008
Employee Share ownership program
94
Ordinary shares in issue at May 15, 2008
277,858,150
The table below details changes in the E ordinary issued share capital of AngloGold Ashanti.
**Period to**
**Description**
**Number of Shares**
January 31, 2006
-
E Ordinary shares issued during 2006
- The Bokamoso ESOP Trust
2,785,770
- Izingwe Holdings (Proprietary) Limited
1,400,000
December 31, 2006
4,185,770
E Ordinary shares issued during 2007
- The Bokamoso ESOP Trust
94,230
Cancelled and exchanged for ordinary shares
(139,770)
December 31, 2007
4,140,230
Cancelled and exchanged for ordinary shares to
May 15, 2008
84,360
E ordinary shares in issue at May 15, 2008
4,055,870
There has been no change in the issued preference share capital of AngloGold since December 31, 2001.

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***Guaranteed Convertible Bonds***: On February 27, 2004, AngloGold Holdings plc, a wholly-owned subsidiary of AngloGold Ashanti, issued $1,000,000,000, 2.375 percent guaranteed Convertible Bonds due 2009, convertible into AngloGold Ashanti ADSs and guaranteed by AngloGold Ashanti. Subject to certain restrictions, holders of Convertible Bonds are entitled to convert each Convertible Bond into an AngloGold Ashanti ADS at the then applicable conversion price at any time from April 8, 2004 to February 20, 2009, or, if the Convertible Bonds are called for redemption earlier than February 27, 2009, the seventh business day prior to the date of early redemption. If the bonds have not been converted by February 20, 2009, they will be redeemed at par on February 27, 2009. AngloGold Holdings plc has the option of calling an early redemption of all the bonds 3 years after their issuance, if the price of the ADSs exceeds 130 percent of the conversion price for more than 20 days during any period of 30 consecutive trading days.

The initial conversion price for the Convertible Bonds is $65.00 per AngloGold Ashanti ADS. The conversion premium to the reference volume weighted average price of the ADSs on the New York Stock Exchange of $40.625 on February 19, 2004, when the issue of the Convertible Bonds was announced, was 60 percent. If all holders of Convertible Bonds exercise their option to convert their Convertible Bonds into ADSs and assuming no adjustments are made to the initial conversion price, up to 15,384,615 new ADSs will be issued. The conversion ratio is subject to adjustment in case of various corporate events including share splits and capital distributions.

At the annual general meeting of shareholders to be held on May 6, 2008, the directors are seeking authority from shareholders to undertake a new issue of convertible bonds in order to enable the company to primarily refinance the existing bonds on the basis that such convertible bonds, when issued, will be convertible into not more than 15,384,615 ordinary shares, i.e. the same maximum number of ordinary shares into which the existing bonds are convertible. Once the terms and conditions of the proposed issue of convertible bonds have been finalized, shareholders will be requested to consider granting a specific authority and approval to the directors authorising them to issue a maximum of 15,384,615 ordinary shares pursuant to the conversion rights which will attach to such convertible bonds. The resolution is proposed because the price at which the existing bonds will be convertible into the company’s ordinary shares, currently $65 per share, currently exceeds the market price of the company’s shares on the New York Stock Exchange and it is accordingly likely that the existing bonds will not be converted into shares but instead be cash settled. In such circumstances, the specific authority granted to the directors of the company in 2004 to allot and issue up to 15,384,615 ordinary shares of 25 cents each in the capital of the company will no longer be required and the authority will therefore lapse.

**10B. Memorandum and Articles of Association**

**Registration**

AngloGold Ashanti is incorporated under the laws of the Republic of South Africa and registered with the Registrar of Companies under registration number 1944/017354/06. AngloGold Ashanti's memorandum of association provides that the company's main business is to carry on gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold.

AngloGold Ashanti is governed by its articles of association which document is available for inspection as set out in "Item 10H.: Documents on Display" and a summary of pertinent provisions, including rights of the holders of shares in AngloGold Ashanti, are set out below.

This summary does not contain all the information concerning the rights of holders of AngloGold Ashanti's ordinary shares and is qualified in its entirety by reference to the law of South Africa and AngloGold Ashanti's governing corporate documents. As well as being governed by the provisions of the articles of association, the rights of holders of AngloGold Ashanti's ordinary shares are governed by the South African Companies Act 61 of 1973, as amended, the South African Securities Regulation Code on Take-Overs and Mergers and the JSE Listing Requirements. In addition, rights of holders of AngloGold Ashanti ADSs are governed by the deposit agreement between AngloGold Ashanti and the Bank of New York.

**Directors**

The management and control of any business of AngloGold Ashanti is vested in the directors who, in addition to their powers under the articles of association, may exercise all powers and do all such acts and things as may be exercised or done by AngloGold Ashanti which are not expressly required to be exercised or done by AngloGold Ashanti's shareholders in a general meeting.

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*Appointment, Retirement and Removal of Directors*
The board of directors may appoint any person to be a director and any director so appointed shall hold office only until the
following annual general meeting and shall then be eligible for re-election. The directors who retire at the annual general
meeting in this manner shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
At every annual general meeting at least one-third of the directors must retire from office, but are eligible for re-election. The
directors so to retire at such annual general meeting shall be those who have been the longest in office since their last election.
Where more than one director has served for an equal length of time, unless they agree between themselves, the director to
resign will be determined by lot.
A director will no longer act as a director of the company if he becomes insolvent or subject to insolvency procedures, is found
to be of unsound mind, is requested to resign by at least three-quarters of the directors, is removed by a board resolution of
AngloGold Ashanti or is absent from board meetings without leave of the directors for six consecutive months. A director can
resign with one month's written notice unless he obtains the permission of the directors to shorten his notice period.
The articles of association contain no provision for directors to hold qualification shares, nor stipulate an age limit requirement
for the retirement or non-retirement of directors.
AngloGold Ashanti is currently seeking amendments to its Articles of Association relating to the retirement of directors to
remove ambiguities in the provisions relating to the determination of those directors who are to retire by rotation.
*Board Meetings*
The directors may regulate board meetings and determine the quorum necessary for the transaction of business as they think
fit. Unless otherwise determined by the directors, two directors form a quorum. Issues arising at meetings are decided by
majority vote with the chairman having a second or casting vote where there are more than two directors present at the meeting.
*Borrowing Powers*
AngloGold Ashanti may create and issue secured or unsecured debentures and the directors may borrow or secure the
payment of such sums as they think fit and may secure the repayment of any indebtedness by bond, mortgage or charge
provided that no special privileges as to allotment of shares, attending and voting at meetings, appointment of directors or
otherwise shall be given to the holders of AngloGold Ashanti's debentures without the sanction of AngloGold Ashanti
shareholders in a general meeting.
AngloGold Ashanti's borrowing powers are unlimited. These borrowing powers may be varied by AngloGold Ashanti
shareholders by way of a special resolution in a general meeting.
*Remuneration*
The directors are entitled to such remuneration as AngloGold Ashanti shareholders may approve by ordinary resolution in a
general meeting. If a director performs services that, in the opinion of the board of directors, are outside the scope of the
ordinary duties of a director, he may be paid such extra remuneration as the directors determine.

*Interests of directors and Restriction on voting*

A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or
arrangement with AngloGold Ashanti or any of AngloGold Ashanti's subsidiaries must declare the nature of his interest to
AngloGold Ashanti in accordance with the Companies Act.

A director shall not vote nor be counted in the quorum and if he shall do so his vote shall not be counted on any resolution for
his own appointment to any other office or position under AngloGold Ashanti or in respect of any contract or arrangement in
which he is interested, but this prohibition shall not apply to:
(i) any arrangement for giving to any director any security or indemnity in respect of money lent by him to, or obligations
undertaken by him for the benefit of, AngloGold Ashanti,
(ii) any arrangement for the giving by AngloGold Ashanti of any security to a third party in respect of a debt or obligation of
AngloGold Ashanti which the director has himself guaranteed or secured,
(iii) any contract by a director to subscribe for or underwrite securities, or
(iv) any contract or arrangement with a company in which he is interested by reason only of being a director, officer, creditor
or member of such company (and note that these prohibitions may at any time be suspended or relaxed to any extent
either generally, or in respect of any particular contract or arrangement, by AngloGold Ashanti in general meeting).
Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of
two or more directors to offices or employments with AngloGold Ashanti or any company in which AngloGold Ashanti is
interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the
directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that
concerning his own appointment.
If any question arises at any meeting as to the entitlement of any directors to vote and such question is not resolved by his
voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in
relation to any other director must be final and conclusive except in a case where the nature or extent of the interests of the
director concerned have not been fairly disclosed.
The directors may exercise the voting powers conferred by the shares in any other company held or owned by AngloGold
Ashanti in such manner and in all respects as they think fit, including the exercise thereof in favor of any resolution appointing
themselves or any of them to be directors or officers of such other company or voting or providing for the payment of
remuneration to the directors or officers of such other company.

**Share Rights, Preferences and Restrictions**

*Allotment and Issue of Ordinary Shares*

Any unissued ordinary shares can be disposed of or dealt with in such manner as AngloGold Ashanti shareholders may direct
in a general meeting. AngloGold Ashanti shareholders may resolve that all or any of such ordinary shares are at the disposal of
the directors who may allot, grant options over or otherwise deal with or dispose of the ordinary shares to such persons at such
times and on such terms and conditions and for such consideration as the directors may determine.
Any ordinary shares may be issued with such rights or restrictions as AngloGold Ashanti shareholders in a general meeting
may from time to time determine.

No ordinary shares may be issued at a discount except in accordance with section 81 of the South African Companies Act.

Section 81 states that a company can issue shares at a discount to the par value shares of such shares, if such shares are of a class already in issue, if such issue is authorized by a special resolution, if the company has been trading for at least one year, if the issue is sanctioned by the court and if the issue occurs within one month of the sanction. If shares are issued at a discount, every prospectus issued by the company thereafter relating to the issue of any shares, shall contain particulars of the discount allowed on the issue of those shares, or so much of the discount as has not been written off at the date of the issue of such prospectus.

*Dividends, rights and distributions*

The ordinary shares participate fully in all dividends, other distributions and entitlements as and when declared by AngloGold Ashanti in respect of fully paid ordinary shares. Under South African law, AngloGold Ashanti may declare and pay dividends from any reserves included in total shareholders' equity calculated in accordance with International Financial Reporting Standards, subject to its solvency and liquidity. No larger dividend shall be declared by shareholders in general meeting than is recommended by the directors. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

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Dividends may be declared in any currency at the discretion of the board of directors. Currently, dividends are declared in
South African rands and paid in Australian dollars, South African rands, Ghanaian cedis or United Kingdom pounds. Dividends
paid to registered holders of AngloGold Ashanti ADSs are paid in US dollars converted from South African rands by The Bank
of New York, as depositary, in accordance with the deposit agreement.
As approved by shareholders in general meeting on December 11, 2006, the company's authorized share capital was
increased through the creation of a maximum of 4,280,000 E ordinary shares, to be issued for cash, pursuant to an employee
share ownership plan and black economic empowerment transaction. The E ordinary shares will not be listed. Holders of E
ordinary shares are entitled to receive a dividend, equal to one-half of the dividend per ordinary share declared by AngloGold
Ashanti from time to time.
The holder of B preference shares is entitled to an annual dividend amounting to the lesser of five percent of the issue price of
the B preference shares, or an amount equivalent to the balance of the after-tax profits from income from mining the Moab
Lease Area (which is part of the Vaal River operations in South Africa) as determined by the directors in each financial year.
This annual dividend is a first charge on any profit available for distribution from the Moab Lease Area. The annual dividend is
not payable from any of AngloGold Ashanti's other profits.
The holder of A preference shares is entitled to an annual dividend equivalent to the balance of the after-tax profits from
income from mining the Moab Lease Area as determined by AngloGold Ashanti's directors in each financial year, only once the
annual dividend on the B preference shares has been paid in full.
Any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, or in paid-up securities of
AngloGold Ashanti or of any other company, or in cash, or in any one or more of such ways as the directors or AngloGold
Ashanti in general meeting may at the time of declaring the dividend determine and direct.
All dividends remaining unclaimed for a period of not less than three years from the date on which they became payable, may
be forfeited by resolution of the directors for the benefit of the company.
All of the issued ordinary shares, A redeemable preference shares and B redeemable preference shares are fully paid and are
not subject to further calls or assessment by AngloGold Ashanti.
*Voting rights*
Each ordinary share confers upon the member the right to vote at all general meetings. Each member present in person or, in
the case of a corporate entity, represented, has one vote on a show of hands. If a poll is held, members present or any duly
appointed proxy will have one vote for each ordinary share held. A holder of ordinary shares is entitled to appoint a proxy to
attend, speak and vote at any meeting on his or her behalf and the proxy need not be a shareholder. Holders of ADSs are not
entitled to vote in person at meetings, but may vote by way of proxy through The Bank of New York as the ADS

issuer. Holders of CDIs are not entitled to vote in person at meetings, but may vote by way of proxy.

There are no limitations on the right of non-South African shareholders to hold or exercise voting rights attaching to any of the ordinary shares.

Holders of E ordinary shares have the right to vote at all general meetings and are entitled to appoint a proxy to attend, speak and vote at any meeting on his or her behalf and the proxy need not be a shareholder, to the extent that holders of E ordinary shares will not be entitled to veto any resolution that would otherwise have been capable of being passed, or not, by the required majority of votes of holders of ordinary shares and subject to the Listings Requirements of the JSE, holders of E ordinary shares will not be counted for categorization purposes in terms of section 9 of the Listings Requirements. These limitations on the E ordinary shares are a function of shareholder approval and the JSE Listing Requirements.

The A redeemable preference shares have voting rights that are similar to those of ordinary shares. The B redeemable preference shares have limited voting rights, except in the event that a dividend on this class of share has not been paid and remains unpaid for six months, or in connection with issues directly affecting these preference shares or AngloGold Ashanti as a whole, such as disposal of substantially all of the company’s assets, winding up AngloGold Ashanti or reducing the company’s share capital.

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The articles of association do not provide for cumulative voting in respect of any of the classes of AngloGold Ashanti's shares.

The articles of association specify that if new classes of ordinary or preference shares are issued, the rights relating to any class of shares may be modified or abrogated either with the consent in writing of the holders of at least three-fourths of the issued shares of that class, or with the sanction of a resolution passed as if it were a special resolution of the company at a separate general meeting of the holders of the shares of that class.

*Transfer of Ordinary Shares*

Dematerialized shares which have been traded on JSE are transferred on the STRATE (Share Transactions Totally Electronic) settlement system and delivered within five business days after each trade.

The dematerialization of shares is not mandatory and holders of ordinary shares in AngloGold Ashanti may elect to retain their certificated securities. Subject to any statutory restrictions on transfer any member may transfer all or part of his certificated securities, to the extent it is not prevented by section 91A of the Companies Act. Every transfer must be in writing in the usual common form or in such other form as the directors may approve and must be left at the transfer office where the register of transfers is kept or at such other place as the directors prescribe and must be accompanied by the share certificate and such other evidence as the directors or registrar may require to prove title and capacity of the intending transferor or transferee.

The directors may refuse to register any transfer of certificated securities unless the instrument of transfer, duly stamped, is lodged with AngloGold Ashanti accompanied by the share certificate, the transfer is in respect of only one class of securities or the transfer is permitted within any of AngloGold Ashanti's incentive schemes.

*Conversion of Ordinary Shares into Stock*

AngloGold Ashanti may by special resolution convert any paid-up shares into stock and may reconvert any stock into paid-up shares of any denomination. The holders of stock may transfer their respective interests but the directors may fix the minimum amount of stock transferable. The holders of stock have the same rights, privileges and advantages as regards participation in profits and voting at general meetings of AngloGold Ashanti as if they held the shares from which the stock arose. All of the provisions of the Articles apply equally to stock as to shares.

*Increase and Reduction of Capital*

AngloGold Ashanti shareholders may by way of special resolution in a general meeting and in accordance with the provisions of the Companies Act resolve to:

- increase its capital by any sum divided into shares of any amount;
- consolidate and divide all or any part of its share capital into shares of larger amounts or consolidate and reduce the number of any issued no par value shares;
- 

increase the number of any issued no par value shares without increasing its stated capital; cancel any shares which have not been subscribed for;

- sub-divide its shares or any of them into shares of smaller amounts than fixed by the memorandum of association;
- vary, modify or amend any rights attached to any shares whether issued or not, including the conversion of any shares into preference shares; and
- convert any of its shares whether issued or not into shares of another class.

In addition, AngloGold Ashanti shareholders may by ordinary resolution in a general meeting and subject to the requirements
of the Companies Act and the rules and requirements of the stock exchange on which the securities are listed, reduce, dispose
of, distribute or otherwise deal with in any manner its share capital, share premium, stated capital, reserves and capital redemption reserve fund.

*Share Premium Account and Capital Redemption Reserve Fund*
AngloGold Ashanti shareholders may by ordinary resolution in a general meeting authorize the directors to distribute or deal with, in any way recommended by the directors, all or any part of the amount outstanding to the credit of any share premium account or capital redemption reserve fund of AngloGold Ashanti.
*Rights upon liquidation*
In the event of a winding up of AngloGold Ashanti:
- the B redeemable preference shares confer the right, in priority to any payment in respect of the ordinary shares or the A preference shares in the capital of AngloGold Ashanti, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is available for distribution, but not exceeding a return for each B redeemable preference share of the capital paid up on that share and any share premium paid on the issue of the B redeemable preference shares outstanding at that time.
- the A redeemable preference shares confer the right, in priority to any payment in respect of the ordinary shares but after any payment in respect of the B preference shares, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is then available for distribution.
The A redeemable and B redeemable shares do not confer the right to participation in the surplus funds of AngloGold Ashanti arising in any other manner.
- the ordinary shares and E ordinary shares confer the equal rights to any surplus arising from the liquidation of all other assets of AngloGold Ashanti.

*Redemption provisions*
The A redeemable preference shares may be redeemed for their nominal value, plus a premium per share of an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area, after redemption in full of the B preference shares and payment of the nominal value of the A preference shares, divided by 2,000,000.
The B redeemable preference shares may be redeemed for their nominal value, plus a premium of up to R249.99 per share, but limited to an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area after payment of the nominal value of the B preference shares.
The ordinary shares are not redeemable.
*Description of AngloGold Ashanti ADSs*
The Bank of New York issues AngloGold Ashanti's American Depositary Shares, or ADSs. One ADS represents the ownership interest of one ordinary share of AngloGold Ashanti.
*The Unrestricted ADS Deposit Agreement and Restricted ADS Deposit Agreement*
This section provides a summary description of AngloGold Ashanti's ADSs.
AngloGold Ashanti has entered the following Deposit Agreements with The Bank of New York as depositary and the owners and beneficial owners of American Depositary Receipts (the "Deposit Agreements")
1. the Deposit Agreement amended and restated as of August 5, 1998, filed with the SEC as an exhibit to AngloGold

Ashanti's registration statement on Form F-6 (Registration Statement No. 333-14066) (the "Unrestricted ADS Deposit Agreement"); and

2. the Deposit Agreement dated February 27, 2004 , filed with the SEC as an exhibit to AngloGold Ashanti's registration
statement on Form F-6 (Registration Statement No. 333-14066) (the "Restricted ADS Deposit Agreement"),

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As this section is a summary, it may not contain all the information that may be important to a holder of ADSs. For more complete information, see "Item 10.H.: Documents On Display". Copies of the Deposit Agreements for each Facility are also available for inspection at the Corporate Trust Office of The Bank of New York currently located at 101 Barclay Street, New York, New York, 10286.

Under the Unrestricted ADS Deposit Agreement The Bank of New York as depositary issues ADSs which are not subject to transfer restrictions under the Securities Act and are listed and trade on the New York Stock Exchange (the Unrestricted ADSs).

Under the Restricted ADS Deposit Agreement The Bank of New York as depositary issues ADSs which are considered "restricted securities" within the meaning of Rule 144 of the Securities Act (the Restricted ADSs). AngloGold Ashanti has entered a Registration Rights Agreement pursuant to which it has undertaken to file a registration statement with the SEC covering resales of Restricted ADSs.

Any holder of Convertible Bonds which were offered and sold in the United States to Qualified Institutional Buyers (QIBs) in reliance on Rule 144A under the Securities Act exercising its right to convert its Convertible Bonds into ADSs prior to the later of February 27, 2006 and the date that is two years after the last date on which AngloGold Ashanti or any affiliate of AngloGold Ashanti was the owner of such Convertible Bonds, will receive Restricted ADSs issued under the Restricted ADS Facility. Any holder of Convertible Bonds which were offered and sold outside the United States in accordance with Regulation S under the Securities Act exercising its right to convert its Convertible Bonds into ADSs will receive Unrestricted ADSs issued under the Unrestricted ADS Facility.

The description below generally applies to the ADSs issued under both the Restricted and the Unrestricted ADS Facility. The material differences between the two Facilities are:

prior to the later of February 27, 2006 and the date that is two years after the last date on which AngloGold Ashanti or any affiliate of AngloGold Ashanti was the owner of such Convertible Bonds, only Restricted ADSs will be issued upon conversion of Convertible Bonds offered and sold in the United States to QIBs in reliance on Rule 144A under the Securities Act;

holders of Restricted ADSs under the Restricted ADS Facility are required to give certain certifications upon deposit or withdrawal of the ordinary shares underlying their Restricted ADSs as described generally in " Description of the ADSs Deposit, Withdrawal and Cancellation" below;

Restricted ADSs will carry a transfer restrictions legend; and

Restricted ADSs generally may be held in book–entry form.

*Description of the ADSs*

AngloGold Ashanti ordinary shares (or the right to receive AngloGold Ashanti ordinary shares) are deposited with The Bank of New York's custodians in South Africa: The Standard Bank of South Africa Limited, Société Générale South Africa Limited, FirstRand Bank Limited, National Australia Bank Limited and Australia and New Zealand Banking Group Limited (each, a "custodian"). Each ADS also represents securities, cash or other property deposited with The Bank of New York but not distributed to AngloGold Ashanti's ADS holders. The Bank of New York's Corporate Trust Office is located at 101 Barclay Street, New York, NY 10286. The principal executive office of The Bank of New York is located at One Wall Street, New York, NY 10286. The Bank of New York, as the depositary in respect of the ADSs, issued new ADSs following the completion of the Business Combination with Ashanti.

ADSs may be held either directly or indirectly through a broker or other financial institution. If ADSs are held indirectly, such holders must rely on the procedures of their broker or other financial institution to assert the rights of ADS holders described in this section and should consult with their broker or financial institution in this regard.

The Bank of New York is the actual holder of the AngloGold Ashanti ordinary shares, and therefore holders of ADSs may, in certain circumstances, not be treated by AngloGold Ashanti as shareholders of AngloGold Ashanti. The rights of ADS holders and the rights of and obligations of The Bank of New York as depositary are set out in the Deposit Agreements among The Bank of New York, the registered holders and beneficial owners of ADSs, and AngloGold Ashanti. The Deposit Agreements and the ADSs are generally governed by the laws of the State of New York.

*Dividends and Other Distributions*

The Bank of New York has agreed to pay to holders of ADSs the cash dividends or other distributions it or a custodian receives on AngloGold Ashanti ordinary shares or other deposited securities after deducting any fees and expenses and any applicable withholding taxes. Holders of ADSs will receive these distributions in proportion to the number of AngloGold Ashanti's ordinary shares that their ADSs represent.

*Cash*

The Bank of New York will convert any cash dividend or other cash distribution AngloGold Ashanti pays on AngloGold Ashanti's ordinary shares into US dollars (unless AngloGold Ashanti pays it in US dollars), if it can do so on a reasonable basis and can transfer the US dollars to the United States. Currently, AngloGold Ashanti pays dividends on ordinary shares in South African rand. AngloGold Ashanti may declare dividends and distributions on ordinary shares in any currency that the board of directors or shareholders at a general meeting approve.

In accordance with the Deposit Agreements, The Bank of New York, via its appointed South African bank, will convert the South African rand it receives from AngloGold Ashanti to US dollars and distribute dividends in US dollars to registered holders of ADSs. If that is no longer possible or if any approval from any government is needed and cannot be obtained, The Bank of New York may distribute non-US currency only to those ADS holders to whom it is possible to make this type of distribution.

The Bank of New York may hold the non-US currency it cannot convert for the account of holders of ADSs who have not been paid, unless a holder of ADSs requests in writing to receive the non-US currency distribution. It will not invest the non-US currency, and it will not be liable for the interest. Before making a distribution, any withholding taxes that must be paid will be deducted. See "Payment of Taxes" below. The Bank of New York will distribute only whole US dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when The Bank of New York cannot convert the non-US currency, holders of ADSs may lose some or all of the value of the distribution.

*Ordinary shares*

The Bank of New York may distribute to holders of ADSs additional ADSs representing ordinary shares that AngloGold Ashanti distributes as a dividend or free distribution, if AngloGold Ashanti provides it promptly with satisfactory evidence that it is legal to do so. If The Bank of New York does not distribute additional ADSs, the outstanding ADSs will also represent the newly distributed AngloGold Ashanti ordinary shares. The Bank of New York will only distribute whole ADSs. It will sell AngloGold Ashanti ordinary shares that would require it to deliver a fraction of an ADS and distribute the net proceeds in the same way as it distributes cash.

*Rights to subscribe for additional ordinary shares*

If AngloGold Ashanti offers holders of its ordinary shares any rights to subscribe for additional AngloGold Ashanti ordinary shares or any other rights, The Bank of New York, after consultation with AngloGold Ashanti, may make these rights available to holders of ADSs or sell the rights and distribute the proceeds in the same way as it distributes cash. If The Bank of New York cannot do either of these things for any reason, it may allow these rights to lapse. In that case, holders of ADSs will receive no value for them.

If The Bank of New York makes these types of subscription rights available to holders of ADSs upon instruction from holders of ADSs, it will exercise the rights and purchase AngloGold Ashanti's ordinary shares on their behalf. The Bank of New York will then deposit the AngloGold Ashanti ordinary shares and deliver ADSs to the holders of ADSs. It will only exercise these rights if holders of ADSs pay it the exercise price and any other charges the rights require them to pay.

US securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. For example, holders of ADSs may not be able to trade the ADSs freely in the United States. In this case, The Bank of New York may deliver ADSs which are "restricted securities" within the meaning of Rule 144 (including Restricted ADSs, as defined herein) which will have the same provisions as the ADSs described here, except for the changes needed to put the restrictions in place.

*Other distributions*
The Bank of New York will send to holders of ADSs any other distributions that AngloGold Ashanti makes on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York may decide to sell what AngloGold Ashanti distributes, and then distribute the net proceeds in the same way as it distributes cash, or it may decide to hold what AngloGold Ashanti distributes, in which case the outstanding ADSs will also represent the newly distributed property.

The Bank of New York is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. AngloGold Ashanti has no obligation to register ADSs, AngloGold Ashanti ordinary shares, rights or other securities under the US Securities Act of 1933. AngloGold Ashanti also has no obligation to take any other action to permit the distribution of ADSs, AngloGold Ashanti ordinary shares, rights or anything else to ADS holders. This means that the holders of ADSs may not receive the distribution AngloGold Ashanti makes on its ordinary shares or any value for them if it is illegal or impractical for AngloGold Ashanti to make them available to the holders of ADSs.

*Deposit, Withdrawal and Cancellation*
The Bank of New York will deliver ADSs, if a holder of AngloGold Ashanti's ordinary shares or their broker deposits AngloGold Ashanti's ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will register the appropriate number of ADSs in the names such holder of AngloGold Ashanti ordinary shares requests and will deliver the ADSs at its Corporate Trust office to the persons such holders request.

Holders of ADSs may turn in their ADSs at The Bank of New York's Corporate Trust Office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will deliver (1) the underlying ordinary shares to an account designated by the relevant holder of ADSs and (2) any other deposited securities underlying the ADSs at the office of the Custodian. Or, at the request, risk and expense of ADS holders, The Bank of New York will deliver the deposited securities at its Corporate Trust Office.

Any deposit of ordinary shares into the Restricted ADS Facility, including a deposit upon conversion of the Convertible Bonds, must be accompanied by a written certificate and agreement by or on behalf of the person who will be the beneficial owner of the Restricted ADSs to be issued upon deposit of such ordinary shares to the effect that each such beneficial owner: (i) understands that the ordinary shares and the Restricted ADSs have not been and will not be registered under the Securities Act, (ii) is not an affiliate of AngloGold Ashanti or a person acting on behalf of such an affiliate, (iii) is a QIB and will be the beneficial owner of such Restricted ADSs upon the issuance thereof and (iv) agrees not to offer, sell, pledge or

otherwise
transfer such ordinary shares, such Restricted ADSs or the Restricted ADRs evidencing such Restricted ADSs except: (a)(1) to
a person who the beneficial owner reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (2) in
an offshore transaction meeting the requirements of Regulation S, (3) pursuant to the exemption from registration under the
Securities Act provided by Rule 144 thereunder (if available) or (4) pursuant to an effective registration statement under the
Securities Act and (b) in accordance with all applicable securities laws of the United States.

Holders of Restricted ADSs are subject to further requirements as to certification of their status upon surrender of Restricted
ADSs for the purpose of withdrawing the underlying ordinary shares. Those holders must deliver a written certificate and
agreement by or on behalf of the person surrendering such Restricted ADSs who, after withdrawal, will be the beneficial owner
of the ordinary shares to be withdrawn, acknowledging that the ordinary shares underlying the Restricted ADSs have not been
registered under the Securities Act, certifying as to whether or not those ordinary shares will remain restricted upon withdrawal
and, in the case of ordinary shares that will remain restricted, agreeing: (a) not to offer, sell, pledge or otherwise transfer such
ordinary shares except in a transaction that complies with the applicable transfer restrictions and (b) not to deposit or cause to
be deposited such ordinary shares into any unrestricted depositary receipt facility established or maintained by a depositary
bank (including another facility maintained by The Bank of New York) unless the ordinary shares are no longer deemed to be
restricted securities within the meaning of Rule 44(a)(3) under the Securities Act.

*Voting Rights*

Holders of ADSs may instruct The Bank of New York to vote the ordinary shares underlying their ADSs, but only if AngloGold
Ashanti asks, in writing, The Bank of New York to request their instruction. Otherwise, holders of ADSs will not be able to
exercise their right to vote unless they withdraw the AngloGold Ashanti ordinary shares. However, the holders of ADSs may
not know about the meeting enough in advance to withdraw the ordinary shares.

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If AngloGold Ashanti asks for the instructions of holders of ADSs, The Bank of New York will notify them of the upcoming vote
and arrange to deliver AngloGold Ashanti voting materials to them. The materials will (1) describe the matters to be voted on
and (2) explain how holders of ADSs, on or before a certain date, may instruct The Bank of New York to vote the ordinary
shares or other deposited securities underlying their ADSs as they direct. For instructions to be valid, The Bank of New York
must receive them on or before the date specified.

The Bank of New York will try, as far as practical, to vote or to have its agents vote the ordinary shares or other deposited
securities as holders of ADSs instruct, but this is subject to South African law, the provisions of AngloGold Ashanti's
Memorandum and Articles of Association and of the deposited securities and any applicable rule of the JSE. The Bank of New
York will only vote or attempt to vote as such holders of ADSs instruct.

However, if and to the extent that The Bank of New York does not receive their voting instructions, it will give a proxy to vote
the relevant ordinary shares to a person designated by AngloGold Ashanti, unless AngloGold Ashanti does not wish the proxy
to be given, or substantial opposition exists, or the issue at hand materially and adversely affects the rights of holders of
ordinary shares.

AngloGold Ashanti cannot assure the holders of ADSs that they will receive the voting materials in time for them to instruct The
Bank of New York to vote their ordinary shares. In addition, The Bank of New York and its agents are not responsible for
failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that holders of ADSs
may not be able to exercise their right to vote and there may be nothing they can do if their ordinary shares are not voted as
they requested.

*Fees and Expenses*

***AngloGold Ashanti ADS holders must pay:***

***For***:

$5.00 (or less) per 100 ADSs*

Each issuance of an ADS, including as a result of a distribution of
AngloGold Ashanti ordinary shares or rights or other property

Each cancellation of an ADS, including if the Deposit Agreement
terminates

$0.02 (or less) per ADS

Any cash payment

Registration or transfer fees

Transfer and registration of AngloGold Ashanti ordinary shares on
the AngloGold Ashanti share register to or from the name of The
Bank of New York or its agent when AngloGold Ashanti ordinary
shares are deposited or withdrawn

***AngloGold Ashanti ADS holders must pay:***

***For***:

Expenses of The Bank of New York

Conversion of non-US currency to US dollars

Cable, telex and facsimile transmission expenses
Taxes and other governmental charges The Bank of
New York or any custodian has to pay on any ADS or
AngloGold Ashanti ordinary share underlying an ADS,
for example, stock transfer taxes, stamp duty or
withholding taxes
As necessary
A fee equivalent to the fee that would have been
payable if the securities distributed had been ordinary
shares deposited for issuance of ADSs
Distribution of securities distributed to holders of deposited
securities that are distributed by The Bank of New York to ADS
holders
All fees are at the discretion of The Bank of New York, and are subject to change without notice.

* *With respect only to the initial issuance of Unrestricted and Restricted ADSs issued upon conversion of the Convertible Bonds, AngloGold Ashanti will pay the applicable issuance fee of $5.00 (or less) per 100 ADSs.*

*Payment of Taxes*

Holders of ADSs will be responsible for any taxes or other governmental charges payable on their ADSs or on the deposited
securities underlying their ADSs. The Bank of New York may refuse to transfer their ADSs or allow them to withdraw the
deposited securities underlying their ADSs until such taxes or other charges are paid. It may apply payments owed to holders
of ADSs or sell deposited securities underlying their ADSs to pay any taxes they owe, and they will remain liable for any
deficiency. If it sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to
holders of ADSs any proceeds, or send to them any property, remaining after it has paid the taxes.

*Reclassifications*

***If AngloGold Ashanti***:

***Then***:

Changes the nominal or par value of the ordinary
shares;
Reclassifies, splits up or consolidates any of the
deposited securities;
Distributes securities on the ordinary shares that are
not distributed to holders of ADSs; or
Recapitalizes, reorganizes, mergers, liquidates, sells
all or substantially all of AngloGold Ashanti's assets,
or takes any similar action.

The cash, ordinary shares or other securities received by The Bank of
New York will become deposited securities. Each ADS will
automatically represent its equal share of the new deposited securities.
The Bank of New York may, and will if AngloGold Ashanti asks it to,
distribute some or all of the cash, AngloGold Ashanti ordinary shares
or other securities it receives. It may also issue new ADSs or ask
holders of ADSs to surrender their outstanding ADSs in exchange for
new ADSs identifying the new deposited securities.

*Amendment and Termination*

AngloGold Ashanti may agree with The Bank of New York to amend the Deposit Agreement and the ADSs without the consent
of holders for any reason. If the amendment adds or increases fees or charges (except for taxes and other governmental
charges or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses) or if the
amendment prejudices an important right of ADS holders, it will only become effective 30 days after The Bank of New York
notifies holders of ADSs of the amendment. At the time an amendment becomes effective, holders of ADSs are considered, by
continuing to hold their ADSs, to agree to the amendment and to be bound by the ADSs and the agreement as amended.

The Bank of New York may terminate the Deposit Agreements by mailing notice of termination to ADS holders at least 30 days
prior to the date fixed in the notice if AngloGold Ashanti asks it to do so. The Bank of New York may also terminate the
Deposit Agreement if The Bank of New York has told AngloGold Ashanti that it would like to resign and AngloGold Ashanti has
not appointed a new depositary bank within 90 days. In both cases, The Bank of New York must notify holders of

AngloGold
Ashanti ADSs at least 30 days before termination.

After termination, The Bank of New York and its agents will be required to do only the following under the Deposit Agreement:

collect distributions on the deposited securities, sell rights, and, upon surrender of ADSs, deliver AngloGold Ashanti ordinary
shares and other deposited securities. One year after the date of termination or later, The Bank of New York may sell any
remaining deposited securities by public or private sale and will hold the proceeds of the sale, as well as any other cash it is
holding under the Deposit Agreement, for the pro rata benefit of the ADS holders who have not surrendered their ADSs. It will
not invest the money and will have no liability for interest. The Bank of New York's only obligations will be to account for the
proceeds of the sale and other cash. After termination, AngloGold Ashanti's only obligations will be with respect to indemnification of, and payment of certain amounts to, The Bank of New York.

*Limitations on Obligations and Liability to ADS Holders*
The Deposit Agreements expressly limit AngloGold Ashanti's obligations and the obligations of The Bank of New York, and they limit AngloGold Ashanti's liability and the liability of The Bank of New York. AngloGold Ashanti and The Bank of New York:

- are only obligated to take the actions specifically set forth in the applicable Deposit Agreement without negligence or bad faith;
- are not liable if either of AngloGold Ashanti or The Bank of New York is prevented or delayed by law or circumstances beyond AngloGold Ashanti's control from performing AngloGold Ashanti's obligations under the applicable Deposit Agreement;
- are not liable if either of AngloGold Ashanti or The Bank of New York exercises discretion permitted under the applicable Deposit Agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the agreement on behalf of the holders of ADS holders or on behalf of any other party;
- may rely on advice of or information from legal counsel, accountants, and any persons presenting AngloGold Ashanti's ordinary shares for deposit, any registered holder or any other person believed by AngloGold Ashanti in good faith to be competent to give such advice or information; and
- pursuant to the Deposit Agreements, AngloGold Ashanti and The Bank of New York agree to indemnify each other under certain circumstances.

*Requirements for Depositary Action*
Before The Bank of New York will issue, transfer or register the transfer of an ADS, make a distribution on an ADS, or allow withdrawal of AngloGold Ashanti ordinary shares, The Bank of New York may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities;
- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the agreement, including presentation of transfer documents.

The Bank of New York may refuse to deliver, transfer or register transfers of ADSs generally when the books of The Bank of New York or AngloGold Ashanti's books are closed, or at any time if either AngloGold Ashanti or The Bank of New York thinks it advisable to do so.

Holders of Unrestricted ADSs have the right to cancel their ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (1) either AngloGold Ashanti or The Bank of New York have closed AngloGold Ashanti's transfer books; (2) the transfer of the ordinary shares is blocked in connection with voting at a general meeting of shareholders; or (3) AngloGold Ashanti is paying a dividend on the ordinary shares;
- when ADS holders seeking to withdraw the ordinary shares owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of the ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the Unrestricted Deposit Agreement.

*Pre-release of ADSs*

In certain circumstances, subject to the provisions of the Deposit Agreement, The Bank of New York may deliver ADSs before deposit of the underlying ordinary shares. This is called a pre-release of the ADS.

The Bank of New York may also deliver AngloGold Ashanti ordinary shares upon cancellation of pre-released ADSs (even if the ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying AngloGold Ashanti ordinary shares are delivered to The Bank of New York. The Bank of New York may receive ADSs instead of ordinary shares to close out a pre-release.

The Bank of New York may pre-release ADSs only under the following conditions:

- before or at the time of the pre-release, the person to whom the pre-release is being made must represent to The Bank of New York in writing that it or its customer: (a) owns the ordinary shares or ADSs to be remitted, (b) assigns all beneficial rights, title and interest in such ADSs or ordinary shares, as the case may be, to The Bank of New York in its capacity as the depositary and for the benefit of the ADS holders, and (c) will not take any action with respect to such ADSs or ordinary shares, as the case may be, that is consistent with the transfer of beneficial ownership (including, without the consent of The Bank of New York, disposing of such ADSs or ordinary shares, as the case may be) other than satisfaction of such pre-release;
- the pre-release must be fully collateralized with cash, US government securities, or other collateral that The Bank of New York considers appropriate; and
- The Bank of New York must be able to close out the pre-release on not more than five business days' notice. Each pre-release will be subject to any further indemnities and credit regulations that The Bank of New York deems appropriate.

The Bank of New York will normally limit the number of AngloGold Ashanti ordinary shares not deposited but represented by ADSs outstanding at any time as a result of pre-release so that they do not exceed 30 percent of the ordinary shares deposited, although The Bank of New York may disregard this limit from time to time, if it thinks it is appropriate to do so.

**Shareholders' meetings**

The directors may convene general meetings of AngloGold Ashanti shareholders. Subject to the provisions of the Companies Act the shareholders may requisition for the convening of a general meeting.

An AngloGold Ashanti annual general meeting and a meeting of AngloGold Ashanti shareholders for the purpose of passing a special resolution may be called by giving 21 clear days' notice in writing of that shareholders' meeting. For any other meeting of AngloGold Ashanti shareholders, 14 clear days' notice must be given. "Clear days" means calendar days excluding the day on which the notice is given and the date of the meeting. All shareholders are entitled to attend.

AngloGold Ashanti's articles of association provide that a quorum for a general members' meeting (other than a meeting at which a special resolution will be passed) consists of three members present personally, or if the member is a corporate entity, represented and entitled to vote. If a general meeting is not quorate, the meeting is dissolved and a new meeting will have to be called following the relevant notice provision.

The quorum of a members' meeting convened for the purpose of passing a special resolution consists of members holding at least 25 percent of the total member votes and present in person or by proxy. If the meeting is not quorate, it will be adjourned to a date between seven and 21 days after the adjourned meeting, and the members present at the second meeting shall constitute a quorum as long as there are at least three of them at the second meeting. A special resolution must be passed by a vote of 75 percent of the members present, at the meeting, personally or by proxy and entitled to vote or by a vote of 75 percent of the total votes to which these members are entitled.

If the meeting is not quorate and is convened upon the requisition of members, the meeting is dissolved.

**Disclosure of Interest in Shares**

Under South African law, a registered holder of AngloGold Ashanti shares who is not the beneficial owner of such shares is required to disclose every three months to AngloGold Ashanti, the identity of the beneficial owner and the number and class of securities held on behalf of the beneficial owner. Moreover, AngloGold Ashanti may, by notice in writing, require a person who is a registered shareholder, or whom AngloGold Ashanti knows or has reasonable cause to believe has a beneficial interest in AngloGold Ashanti ordinary shares, to confirm or deny whether or not such person holds the ordinary shares or beneficial interest and, if the ordinary shares are held for another person, to disclose to AngloGold Ashanti the identity of the person on whose behalf the ordinary shares are held. AngloGold Ashanti may also require the person to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice.

AngloGold Ashanti is obligated to establish and maintain a register of the disclosures described above and to publish in its
annual financial statements a list of the persons who hold beneficial interest equal to or in excess of 5 percent of the total
number of ordinary shares issued by AngloGold Ashanti together with the extent of those beneficial interests.

**Rights of Minority Shareholders**

Majority shareholders of South African companies have no fiduciary obligations under South African common law to minority
shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court
if he has been unfairly prejudiced by the company. There may also be common law personal actions available to a shareholder
of a company.

**Golden Share**

Under the Stability Agreement, the Government of Ghana (Government) has confirmed and agreed that the Government's
rights with respect to the Golden Share apply only in respect of AngloGold Ashanti's assets and operations in Ghana. The
rights do not extend to any other assets or operations of AngloGold Ashanti outside Ghana, nor to any assets or operations of
AngloGold Ashanti.

The Government has also agreed to waive any right it may have under Section 60(I) of the Minerals and Mining Law, 1986, as
amended to acquire a special share in AngloGold Ashanti or any of its direct or indirect subsidiaries or joint ventures.

The Golden Share may only be held by or transferred to a Minister of the Government or any person acting on behalf of such
Government and authorized in writing by such Minister.

The following matters require, and will not be effective without, the written consent of the holder of the Golden Share:

(i) any amendment to or removal of the relevant provisions of the AngloGold Ashanti (Ghana) Limited Regulations setting out
the rights and restrictions attaching to the Golden Share;

(ii) the voluntary winding-up or voluntary liquidation of AngloGold Ashanti (Ghana) Limited;

(iii) the redemption of or purchase by AngloGold Ashanti of the Golden Share;

(iv) the disposal of any mining lease held by AngloGold Ashanti (Ghana) Limited or any subsidiary of AngloGold Ashanti
(Ghana) Limited;

(v) any disposal by AngloGold Ashanti (Ghana) Limited (other than any disposal in the ordinary course of business of
AngloGold Ashanti) which, alone or when aggregated with any disposal or disposals forming part of, or connected with, the
same or a connected transaction, constitutes a disposal of the whole or a material part of the assets of the AngloGold
Ashanti Group taken as a whole. For this purpose, a part of the AngloGold Ashanti Group's assets will be considered
material if either (a) its book value (calculated by reference to the then latest audited consolidated accounts), or the total
consideration to be received on its disposal, is not less than 25 percent of the book value of the net assets of the
AngloGold Ashanti Group or (b) the average profits attributable to it represent at least 25 percent of the average profits of
the AngloGold Ashanti Group for the last three years for which audited accounts are available (before deducting all
charges, except taxation and extraordinary items).

Upon a return of assets in a winding-up or liquidation of AngloGold Ashanti (Ghana) Limited, the holder of the Golden Share is entitled to the sum of 1,000 cedis (approximately 13 US cents) in priority to any payment to other members, but the Golden Share confers no further right to participate in the profits or assets of AngloGold Ashanti. The Golden Share carries no right to any dividend or any right to participate in any offer of securities to existing shareholders or in any capitalization issue.
The holder of the Golden Share may require AngloGold Ashanti (Ghana) Limited to redeem the Golden Share at any time in consideration of the payment to such holder of 1,000 cedis (approximately 13 US cents).

**10C. Material contracts**

AngloGold and the Government of Ghana agreed the terms of a Stability Agreement, approved by the parliament of Ghana on February 18, 2004, (as amended) to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti will operate in Ghana following the implementation of the Business Combination with Ashanti.

On March 23, 2006 the company entered into a Registration Rights Agreement with Anglo South Africa Capital (Proprietary) Limited (Anglo South Africa) under which the company has agreed to file U.S. registration statements for Anglo South Africa's offer and sale of shares it holds in the company (each a Demand Registration) if Anglo South Africa requests the company to do so. The company is required to use all reasonable efforts to file a Demand Registration within 30 days after such a request and to keep it effective for 90 days unless the shares offered pursuant to it are sold earlier. Further, the company may not offer, sell, allot or issue any shares or other securities that are convertible into or exchangeable for, or that represent the right to receive, shares, whether pursuant to U.S. registration or otherwise, for a 90-day period immediately following the first closing of an offering pursuant to a Demand Registration or a shorter period as may be imposed by underwriters in the Demand Registration; except: (i) in consideration for shares or assets of a company as part of a merger, acquisition, corporate reorganization or similar transaction, (ii) as required pursuant to the terms governing the 2.375 percent guaranteed convertible bonds due 2009, issued by AngloGold Holdings plc and guaranteed by the company, and (iii) in connection with any option, employee bonus, profit sharing, pension, retirement, incentive, savings or similar plan, agreement or award. The Registration Rights Agreement may be terminated at any time by written consent by each of the parties thereto. The Registration Rights Agreement shall terminate automatically on the first date on which Anglo South Africa is no longer an "affiliate" within the meaning of Rule 144 under the United States Securities Act of 1933, as amended.

AngloGold Ashanti is not party to any further material contracts other than contracts entered into in the ordinary course of business.

**10D. Exchange controls**

**Exchange controls and other limitations affecting security holders**

The following is a general outline of South African exchange controls and such outline may not apply to former residents of South Africa. Investors should consult a professional advisor as to the exchange control implications of their particular investments.

South African law provides for exchange control regulations, which restrict the export of capital from the Common Monetary Area, which comprises South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia. The exchange control regulations, which are administered by the Exchange Control Department of the South African Reserve Bank, are applied throughout the Common Monetary Area and regulate transactions involving South African residents,

including natural
persons and legal entities. Government officials have from time to time stated their intentions to lift South Africa's exchange
control regulations when economic conditions permit such action. In his budget speech in March 1998, the Minister of Finance
announced that restrictions relating to offshore investments by South African companies and individuals subject to South
African exchange control would, to a limited extent, be lifted.
Since then, the government has incrementally relaxed aspects of exchange control for financial institutions and individuals.
However, it is impossible to predict with any certainty when the government will remove exchange controls in their entirety.
The comments below relate to exchange controls in force at the date of this annual report.

**Investments in South African companies**

A foreign investor may invest freely in ordinary shares in a South African company. Any foreign investor may also sell shares in
a South African company and transfer the proceeds out of South Africa without restriction. Acquisitions of shares or assets of
South African companies by non-South African purchasers are not generally subject to review by the SARB when the consideration is in cash, but may require SARB review in certain circumstances, including when the consideration is equity in a
non-South African company or when the acquisition is financed by a loan from a South African lender.

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**Dividends**
Dividends declared to foreign stockholders are not subject to the approval by the South African Reserve Bank (SARB).
Dividends are freely transferable to foreign stockholders from both trading and non-trading profits earned in South Africa by publicly listed companies.
**Interest**
Interest on foreign loans is freely remittable abroad, provided the loans received prior SARB approval.
**Voting rights**
There are no limitations imposed by South African law or by the memorandum and articles of association of AngloGold Ashanti on the rights of non-South African shareholders to vote the ordinary shares.
**Overseas financing and investments**
AngloGold Ashanti and its South African subsidiaries require SARB approval to raise debt from and repay debt to non-residents of the Common Monetary Area, mainly in respect of the interest rate and terms of repayment applicable to the loan.
Debt raised outside the Common Monetary Area by AngloGold Ashanti's non-South African subsidiaries is not restricted under South African exchange control regulations and can be used for overseas investment, subject to any conditions imposed by the SARB in connection with establishing such a subsidiary. AngloGold Ashanti and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of its subsidiaries with regard to funds obtained from non-residents of the Common Monetary Area.
Debt raised outside the Common Monetary Area by AngloGold Ashanti's non-South African subsidiaries must be repaid or serviced by AngloGold Ashanti's foreign subsidiaries.
A listing by a South African company on any stock exchange other than the JSE Securities Exchange in connection with raising capital requires permission from the SARB.
Under current exchange control regulations, offshore investments by AngloGold Ashanti and its South African subsidiaries require the approval of the SARB. Subject to approval, there is no limit on the amount of capital that may be invested offshore.
**10E. Taxation**
**South African taxation**
The following discussion summarizes South African tax consequences of the ownership and disposition of shares or ADSs by a US holder (as defined below). This summary is based upon current South African tax law and South African Inland Revenue practice, the convention between the Government of the United States of America and the Republic of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, signed February 17, 1997 (the "Treaty"), and in part upon representations of the depositary, and assumes that each obligation provided for in, or otherwise contemplated by, a deposit agreement and any related agreement will be performed in accordance with its respective terms.

The following summary of South African tax considerations does not address the tax consequences to a US holder that is resident in South Africa for South African tax purposes, whose holding of shares or ADSs is effectively connected with a permanent establishment in South Africa through which such US holder carries on business activities or, in the case of an individual who performs independent personal services, with a fixed base situated therein, or who is otherwise not entitled to full benefits under the Treaty.

The statements of law set forth below are subject to any changes (which may be applied retroactively) in South African law or
in the interpretation thereof by the South African tax authorities, or in the Treaty, occurring after the date hereof. It should be
expressly noted that South African tax law does not specifically address the treatment of ADSs. However, it is reasonable to
assume (although no assurance can be made) that the tax treatment of US holders of shares is also applicable to US holders
of ADSs.
Holders are strongly urged to consult their own tax advisors as to the consequences under South African, US federal, state and
local, and other applicable laws, of the ownership and disposition of shares or ADSs.
**Taxation of dividends**
South Africa imposes a corporate tax known as Secondary Tax on Companies (STC) on the distribution of earnings in the form
of dividends. Under the terms of an option granted to gold mining corporations, AngloGold Ashanti has elected not to be
subject to STC. As a result, although AngloGold Ashanti's dividend payments are not subject to STC, AngloGold Ashanti pays
corporate income tax at a slightly higher rate than would otherwise have been the case. This election resulted in the overall tax
paid by AngloGold Ashanti being lower than the tax payable using the standard corporate tax rate together with STC. STC will
be phased out over the next two years and replaced by a dividend withholding tax.
South Africa does not currently impose any withholding tax or any other form of tax on dividends paid to US holders with
respect to shares, but there has been a recent announcement (as set out below) that this is about to change. In the case of a
South African withholding tax on dividends paid to a US holder with respect to shares, the Treaty would limit the rate of this tax
to 5 percent of the gross amount of the dividends if a US holder holds directly at least 10 percent of the voting stock of
AngloGold Ashanti and 15 percent of the gross amount of the dividends in all other cases. The above provisions shall not apply
if the beneficial owner of the dividends is a US resident who carries on business in South Africa through a permanent
establishment situated in South Africa, or performs in South Africa independent personal services from a fixed base situated in
South Africa, and the dividends are attributable to such permanent establishment or fixed base.
On February 21, 2007, the South African Minister of Finance, Mr Trevor Manuel, delivered his 2007 Budget Speech in which
he stated that the STC currently levied at 12.5 percent will be replaced by a withholding tax on shareholders in respect of
dividends distributed at a rate of 10 percent. This change is being implemented in two phases. On October 1, 2007 the STC
rate reduced from 12.5 percent to 10 percent and in 2009 STC will be phased out and replaced by the 10 percent withholding
tax.
The draft legislation giving effect to the first phase has been published, and AngloGold Ashanti's marginal tax rate for its South
African mining operations is being reduced from 45 percent to 43 percent and the tax rate on its non-mining income from

38 percent to 37 percent. These changes will be effective from 2008 tax year which begins on January 1, 2008.
In the second phase, (expected to take place in 2009), the marginal tax rate for AngloGold Ashanti's South African mining
operations should reduce from 43 percent to 34 percent and the marginal tax rate for non-mining income should reduce from
37 percent to 28 percent. The amending legislation relating to the second phase proposals is due to be published in 2009. As
stated above, the effect of this change will not materially affect the after tax dividend received by non-resident shareholders
and South African resident individuals because STC is being replaced by a 10 percent withholding tax on dividends declared
for these shareholders.

**Taxation of gains on sale or other disposition**

South Africa imposes a tax on capital gains, which only applies to South African residents. The meaning of the word "residents"
is different for individuals and corporations and is governed by the South African Income Tax Act of 1962 and by the Treaty. In
contrast, gains on the disposal of securities which are not capital in nature are usually subject to income tax. However, even in
the latter case, a US holder will not be subject to income tax unless the US holder carries on business in South Africa through
a permanent establishment situated therein.

**United States taxation**

The following is a general summary of the material US federal income tax consequences of the ownership and disposition of shares or ADSs to a US holder (as defined below) that holds its shares or ADSs as a capital asset. This summary is based on US tax laws including the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated thereunder, rulings, judicial decisions, administrative pronouncements, and the Treaty, all as currently in effect as of the date of this annual report, and all of which are subject to change or changes in interpretation, possibly with retroactive effect. In addition, this summary is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement relating to the ADSs and any related agreement will be performed in accordance with its terms.

This summary does not address all aspects of US federal income taxation that may apply to holders that are subject to special tax rules, including US expatriates, insurance companies, tax-exempt entities, banks, certain financial institutions, persons subject to the alternative minimum tax, regulated investment companies, securities broker-dealers, traders in securities who elect to apply a mark-to-market method of accounting, investors that own (directly, indirectly or by attribution) 10 percent or more of the outstanding share capital or voting stock of AngloGold Ashanti, partnerships, persons holding their shares or ADSs as part of a straddle, hedging or conversion transaction, persons who acquired their shares or ADSs pursuant to the exercise of employee stock options or otherwise as compensation, or persons whose functional currency is not the US dollar. Such holders may be subject to US federal income tax consequences different from those set forth below.

As used herein, the term “US holder” means a beneficial owner of shares or ADSs that is (a) a citizen or individual resident of the United States for US federal income tax purposes; (b) a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (c) an estate the income of which is subject to US federal income taxation regardless of its source; or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more US persons are authorized to control all substantial decisions of the trust. If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a US holder is a partner in a partnership that holds shares or ADSs, the holder is urged to consult its own tax advisor regarding the specific tax consequences of the ownership and disposition of the shares or ADSs.

US holders should consult their own tax advisors regarding the specific South African and US federal, state and local tax consequences of owning and disposing of shares or ADSs in light of their particular circumstances as well as any consequences arising under the laws of any other taxing jurisdiction. In particular, US holders are urged to consult their own

tax advisors regarding whether they are eligible for benefits under the Treaty.
For South African and US federal income tax purposes, a US holder of ADSs should be treated as owning the underlying shares represented by those ADSs. Therefore, deposits or withdrawals by a US holder of shares for ADSs or of ADSs for shares will not be subject to US federal income tax. The following discussion (except where otherwise expressly noted) applies equally to US holders of shares and US holders of ADSs.

**Taxation of dividends**

The gross amount of any distribution (including the amount of any South African withholding tax thereon) paid to a US holder by AngloGold Ashanti generally will be taxable as dividend income to the US holder for US federal income tax purposes on the date the distribution is actually or constructively received by the US holder, in the case of shares, or by the depositary, in the case of ADSs. Corporate US holders will not be eligible for the dividends received deduction in respect of dividends paid by AngloGold Ashanti. For foreign tax credit limitation purposes, dividends paid by AngloGold Ashanti will be income from sources outside the United States. At present, South Africa does not impose a withholding tax or any other form of tax on dividends paid to US holders with respect to shares. The South African government, however, has recently announced its intent to enact a dividend withholding tax, which is expected to be phased in during 2008 and 2009. See ‘Taxation – South African Taxation – Taxation of dividends’. Once the dividend withholding tax becomes effective, US holders who are eligible for benefits under the current Treaty will be subject to a maximum tax of 15 percent on the gross amount of dividend distributions paid by AngloGold Ashanti.

The amount of any distribution paid in foreign currency (including the amount of any South African withholding tax thereon) generally will be includible in the gross income of a US holder of shares in an amount equal to the US dollar value of the foreign currency calculated by reference to the spot rate in effect, regardless of whether the foreign currency is converted into US dollars on such date. If the foreign currency is converted into US dollars on the date of receipt, a US holder of shares generally should not be required to recognize foreign currency gain or loss in respect of the dividend. If the foreign currency received in the distribution is not converted into US dollars on the date of receipt, a US holder of shares generally will have a tax basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss recognized upon a subsequent conversion or other disposition of the foreign currency generally will be treated as US source ordinary income or loss. In the case of a US holder of ADSs, the amount of any distribution paid in a foreign currency generally will be converted into US dollars by the depositary upon its receipt. Accordingly, a US holder of ADSs generally will not be required to recognize foreign currency gain or loss in respect of the distribution. Special rules govern and specific elections are available to accrual method taxpayers to determine the US dollar amount includible in income in the case of taxes withheld in a foreign currency.
Accrual basis taxpayers are therefore urged to consult their own tax advisors regarding the requirements and elections applicable in this regard.
Subject to certain limitations, South African withholding taxes will be treated as foreign taxes eligible for credit against a US holder's US federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividend income generally will constitute 'passive category' income, or in the case of certain US holders, 'general category' income. The use of foreign tax credits is subject to complex conditions and limitations. In lieu of a credit, a US holder who itemizes deductions may elect to deduct all of such holder's foreign taxes in the taxable year.
A deduction does not reduce US tax on a dollar-for-dollar basis like a tax credit, but the deduction for foreign taxes is not subject to the same limitations applicable to foreign tax credits. US holders are urged to consult their own tax advisors regarding the availability of foreign tax credits.
Certain US holders (including individuals) are eligible for reduced rates of US federal income tax (currently at a maximum rate of 15 percent) in respect of "qualified dividend income" received in taxable years beginning before January 1, 2011. For this purpose, qualified dividend income generally includes dividends paid by a non-US corporation if, among other things, the US holders meet certain minimum holding period and other requirements and the non-US corporation satisfies certain requirements, including that either (i) the ordinary shares (or ADSs) with respect to which the dividend has been paid are readily tradable on an established securities market in the United States, or (ii) the non-US corporation is eligible for the

benefits of a comprehensive US income tax treaty (such as the Treaty) which provides for the exchange of information.
AngloGold Ashanti currently believes that dividends paid with respect to its shares and ADSs should constitute qualified dividend income for US federal income tax purposes. AngloGold Ashanti anticipates that its dividends will be reported as qualified dividends on Forms 1099-DIV delivered to US holders. Each individual US holder of AngloGold Ashanti shares or ADSs is urged to consult his own tax advisor regarding the availability to him of the reduced dividend tax rate in light of his own particular situation.
The US Treasury has expressed concern that parties to whom ADSs are pre-released may be taking actions that are inconsistent with the claiming of foreign tax credits for US holders of ADSs. Such actions would also be inconsistent with the claiming of the reduced rate of tax described above, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of South African withholding taxes or the availability of qualified dividend treatment could be affected by future actions that may be taken by the US Treasury with respect to ADSs.

**Taxation of capital gains**

If a US holder is a resident of the United States for purposes of the Treaty, such holder will not be subject to South African tax on any capital gain if it sells or disposes of its shares or ADSs. Special rules apply to individuals who are residents of more than one country.
In general, upon a sale, exchange or other disposition of shares, a US holder will recognize capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized on the disposition and the holder's tax basis, determined in US dollars, in the shares or ADSs. Such gain or loss generally will be US source gain or loss, and will be treated as a long-term capital gain or loss if the holder’s holding period in the shares exceeds one year at the time of disposition. If the US holder is an individual, any capital gain generally will be subject to US federal income tax at preferential rates if specified minimum holding periods are met. The deductibility of capital losses is subject to significant limitations.
Deposits or withdrawals by a US holder of shares for ADSs, or of ADSs for shares, will not be subject to US federal income tax.

**Passive foreign investment company considerations**
A non-US corporation will be classified a Passive Foreign Investment Company (a "PFIC") for any taxable year if at least 75 percent of its gross income consists of passive income (such as dividends, interest, rents or royalties (other than rents or royalties derived in the active conduct of a trade or business and received from an unrelated person), or gains on the disposition of certain minority interests), or at least 50 percent of the average value of its assets consists of assets that produce, or are held for the production of, passive income. AngloGold Ashanti believes that it was not treated as a PFIC for the taxable year ended December 31, 2007 and does not expect to become a PFIC in the foreseeable future. If AngloGold Ashanti were characterized as a PFIC for any taxable year, a US holder would suffer adverse tax consequences.
These consequences may include having gains realized on the disposition of shares treated as ordinary income rather than capital gains and being subject to punitive interest charges on the receipt of certain dividends and on the proceeds of the sale or other disposition of the shares. Furthermore, dividends paid by AngloGold Ashanti would not be "qualified dividend income" and would be taxed at the higher rates applicable to other items of ordinary income. US holders should consult their own tax advisors regarding the potential application of the PFIC rules to their ownership of the shares.
**US information reporting and backup withholding**
Dividend payments made to a holder and proceeds paid from the sale, exchange, or other disposition of shares may be subject to information reporting to the Internal Revenue Service (the "IRS"). US federal backup withholding generally is imposed at a current rate of 28 percent on specified payments to persons who fail to furnish required information. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally will not be subject to US information reporting or backup withholding. However, these holders may be required to provide certification of non-US status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through certain US-related financial intermediaries. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.
**10F. Dividends and paying agents**
Not applicable.
**10G. Statement by experts**
Not applicable.
**10H. Documents on display**

The documents referred to in this report can be read at the US Securities and Exchange Commission's public reference facilities at Room 1580, 100 F Street, N.E., Washington, D.C. 20549.

**10I. Subsidiary information**

Not applicable.

**Item 11: Quantitative and qualitative disclosures about market risk**

**Treasury Policy**

The board of directors of AngloGold Ashanti has approved a treasury and risk management policy that governs the group's treasury activities, including the setting of hedging and dealing limits, approval of hedging instruments and counterpart approval and limits.

Under the treasury and risk management policy, hedges may be put in place using approved instruments over the group's planned gold production and resultant gold sales currency exposures. The tenor of the hedges may extend out to ten years.

The treasury and risk management policy sets limits on the extent to which the hedge position may change for the various levels of treasury management from dealer, through treasurer, executive management and board.

The board of directors has delegated the approval of hedge instruments to AngloGold Ashanti's treasury committee. The treasury committee must approve all hedging instruments, treatment of the instruments in the treasury system, reporting on the instruments and the accounting treatment for such instruments.

The financial risk management activities objectives of the group are as follows:

- Safeguarding the group core earnings stream from its major assets through the effective control and management of gold price risk, foreign exchange risk and interest rate risk;
- Effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity planning and procedures;
- Ensuring that investment and hedging transactions are undertaken with creditworthy counterparts;
- Ensuring that all contracts and agreements related to risk management activities are coordinated, consistent throughout the group and comply where necessary with all relevant regulatory and statutory requirements.

Under the treasury and risk management policy, treasury reports that include all open hedging transactions are produced at the following minimum intervals for review by management and the board of directors.

| | |
|---|---|
| Daily | Treasurer |
| Monthly | Executive committee |
| Quarterly | Treasury committee, Audit committee, Board of directors, Quarterly shareholder reports |

The Treasury risk manager is responsible for monitoring all reports for completeness and accuracy. The reports include stress testing of all hedge positions for changes in gold prices, currency exchange rates, interest rates, and gold and exchange rate volatilities.

At AngloGold Ashanti, all front office (dealing), middle office (risk reporting), back office (deal confirmations) and payment (treasury settlements) activities are segregated. All treasury transactions are captured on a third party developed treasury and risk management system that is widely used in corporate treasuries. The internal audit group conducts regular and ad-hoc reviews of the activities of treasury and the company's treasury system.

**Gold price and currency risk management activities**

The group enters into derivatives to ensure a degree of price certainty and to guarantee a minimum revenue on a portion of future planned gold sales. AngloGold Ashanti does not acquire, hold or issue derivative instruments for economic trading purposes. A number of products, including derivatives, are used to manage the price of gold and other commodities, interest rate and foreign exchange risks that arise out of the group's core business activities. Forward purchase and sale contracts and purchased or sold call and put options are used by the group to manage its exposure to gold price and currency fluctuations.

Gold and currency hedging instruments are denominated in South African rands, US dollars, Brazilian real and Australian dollars.

A put option gives the put buyer the right, but not the obligation, to sell the underlying to the put seller at a predetermined price on a predetermined date. A call option gives the call buyer the right, but not the obligation, to buy the underlying from the call seller at a predetermined price on a predetermined date. The group's risk in selling call options is unlimited but mitigated by the fact that the group produce the commodity required by the option and would benefit by the same quantity as the option loss by selling production in the open market.

The mix of hedging instruments, the volume of production hedged and the tenor of the hedge book is continuously reviewed in light of changes in operational forecasts, market conditions and the group's hedging policy. AngloGold Ashanti's reserves and financial strength have allowed it to arrange unmargined credit lines of up to ten years with counterparts.

Forward sale contracts establish the price of future gold sales at a specified price. A number of these contracts are intended by AngloGold Ashanti for delivery against production in a future period. The volume of net outstanding forward sales contracts at the end of 2007 was 108,403 kg compared with 122,133 kg at the end of 2006.

SFAS133 requires that derivative instruments be accounted for as follows:

- Commodity based ("normal purchase or normal sale exempt") contracts that meet the requirements of SFAS138, and are designated as such, are recognized in product sales when they are settled by physical delivery. They are not recorded in the financial statements between the dates that they are entered into and settled.
- Where the conditions in SFAS133 for hedge accounting are met, the derivative is recognized on the balance sheet at fair value as either a derivative asset or derivative liability. For cash flow hedges the effective portion of changes in fair value of the hedging instrument are recognized in equity (other comprehensive income) until the underlying transaction occurs, then the gains or losses are recognized in product sales. The ineffective portion of changes in fair value is reported in earnings as gains or losses on derivatives in the period in which they occur. The ineffective portion of matured and existing cash flow hedges recognized in losses on non-hedge derivatives in the income statement during the year was $10 million (2006: $nil). Of the contracts accounted for as cash flow hedges, contracts with a carrying value of $194 million, a liability at December 31, 2007, are expected to be reclassified from other comprehensive income and recognized as a reduction in product sales during 2008.
- All other derivatives are measured at their estimated fair value, with the changes in estimated fair value at each reporting date reported as gains or losses on derivatives in earnings in the period in which they occur.

Cash flows from derivative instruments accounted for as cash flow hedges are included in net cash provided by operating activities in the statements of consolidated cash flows for all periods presented. Contracts that contain 'off-market' terms that result in the inflow of cash at inception are analogous to borrowing activities and, as such, are treated as financing activities.

All current and future cash flows associated with such instruments are classified within the financing activities section of the consolidated cash flow statement. Contracts that contain 'off-market' terms that result in the outflow of cash at inception are analogous to lending activities and, as such, are treated as investing activities. All current and future cash flows associated with such instruments are classified within the investing activities of the consolidated cash flow statement.

The table below indicates AngloGold Ashanti's total gold hedge position at a weighted average settlement price as at December 31, 2007. The total net delta tonnage of the hedge on this date was 10.39 million ounces (323 tonnes)

(December
31, 2006: 10.16 million ounces, 316 tonnes).
The marked-to-market value of all hedge transactions making up the hedge positions was a liability of $4,273 billion as at
December 31, 2007 (as at December 31, 2006: a liability of $2.903 billion). These values were based on a gold price of
$836.30 per ounce, exchange rates of R/$6.8104 and A$/$0.8798 and the prevailing market interest rates and volatilities at the
time. Such values include normal purchase normal sale exempt contracts which as discussed above are not recorded in the
financial statements between the dates that they are entered into and settled.

**Year** **2008** **2009** **2010** **2011** **2012**
**2013-2015** **Total**
**DOLLAR GOLD**
Forward contracts
Amount (kg)
22,817
21,738
14,462
12,931
11,944
12,364
96,256
$ per oz
$314
$316
$347
$397
$404
$432
$357
Forward
contracts
Amount
(kg)
11,304
11,304
*(Long position)
$ per oz
$647
$647
Put options sold
Amount (kg)
25,962
3,748
1,882
1,882
1,882
3,764
39,120
$ per oz
$682
$530
$410
$420
$430
$445
$607
Call options
Amount (kg)
9,813

9,813
purchased
$ per oz
$427
$427
Call options sold
Amount (kg)
58,570
45,950
36,804
39,385
24,460
39,924
245,093
$ per oz
$521
$498
$492
$517
$622
$604
$535
**RAND GOLD**
Forward contracts
Amount (kg)
933
933
Rand per kg
R116,335
R116,335
Call options sold
Amount (kg)
2,986
2,986
2,986
8,958
Rand per kg
R202,054
R216,522
R230,990
R216,522
**AUD DOLLAR**
**GOLD**
Forward contracts
Amount (kg)
16,018
3,390
3,110
22,518
A$ per oz
A$848

A$644
A$685
A$795
Put options sold
Amount (kg)
7,465
7,465
A$ per oz
A$882
A$882
Call options
Amount (kg)
3,110
1,244
3,110
7,464
purchased
A$ per oz
A$680
A$694
A$712
A$696
Call options sold
Amount (kg)
5,599
5,599
A$ per oz
A$954
A$954
Delta (kg)
(69,805)
(70,154)
(51,200)
(51,137)
(33,123)
(47,702)
(323,121)
**Total net gold:
Delta (oz)

| | | | | | | |
|---|---|---|---|---|---|---|
| (2,244,280) | (2,255,500) | (1,646,116) | (1,644,090) | (1,064,928) | (1,533,653) | (10,388,567) |

Hedge delta as a percentage of current
production levels (%) ***

| | | | | | | |
|---|---|---|---|---|---|---|
| 41% | 41% | 30% | 30% | 19% | 9% | 24% |

*
*Indicates a long position from forward purchase contracts. The Company enters into forward purchase contacts as part of its strategy to manage and reduce the size of the hedge book.*
**
*The Delta of the hedge position indicated above, is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in*

*the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at December 31, 2007.*

****  Percentage based on 2007 full year production of 5,477,000 ounces.*

At December 31, 2007 the company had 11.3 million committed ounces or 351t (2006: 11.6Moz or 361t).

**Gold lease rate swaps**

| | | **Year** | | | | |
|---|---|---|---|---|---|---|
| | | **2008** | **2009** | **2010** | **2011** | **2012 - 2015** |
| Gold borrowing cost associated with forward contracts (1) | Amount ('000oz) | 100,000 | 130,000 | 100,000 | | |
| | Interest rate % | 1.38 | 1.58 | 1.52 | | |
| Gold lease rate swaps (2) | Amount ('000oz) | 1,168,000 | 898,000 | 641,000 | 423,000 | 205,000 |
| | Interest rate % | 1.75 | 1.81 | 1.83 | 1.83 | 1.84 |

*(1)  Gold borrowing costs relating to Australian dollar gold forwards:*

*The Australian dollar denominated gold forward contract prices are shown on a net basis where the final price of the contract is determined by the cost of borrowing gold over the full duration of the contract. The net prices shown in the table above have been adjusted to take account of the total expected future cost of all accumulated costs incurred to date and the expected future borrowing cost based on ruling market prices at the financial statement date. The amount shown under "Gold borrowing cost associated with forward contracts" in the table above is the face value of the borrowing amount and the period in which it matures. The interest rates shown are the future market rates prevailing at the time of the financial statement.*

*(2)  The gold lease rate swaps are contracts where the company receives a fixed percentage of the outstanding amount in gold and pays a floating market determined percentage in gold, quarterly in arrears. The amount shown in the table above is the number of ounces outstanding at the beginning of each period. The interest rate shown is the weighted average fixed rate that the company will receive for that period.*

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**Year**
**2008**
**2009**
**2010**
**2011**
**2012**
**2013-2015**
**Total**
**DOLLAR SILVER**
Put options purchased
Amount (kg)
43,545
43,545
$
per
oz
$7.66
$7.66
Put options sold
Amount (kg)
43,545
43,545
$
per
oz
$6.19
$6.19
Call options sold
Amount (kg)
43,545
43,545
$
per
oz
$8.64
$8.64
As at December 31, 2007 certain of the hedging positions reported in the above tables were governed by early termination
options in favor of certain counterparts. No termination clauses were exercised early.
**Foreign exchange price risk protection agreements**
The Company enters into currency forward exchange and currency option contracts to hedge certain anticipated transactions
denominated in foreign currencies. The objective of the Company's foreign currency hedging activities is to protect the
Company from the risk that the eventual cash flows resulting from transactions denominated in US dollars will be adversely
affected by changes in exchange rates.
The following table indicates the group's currency hedge position at December 31, 2007.
**Year**
**2008**
**2009**

**2010**
**2011**
**2012**
**2013-2015**
**Total**
**RAND DOLLAR (000)**
Forward contracts
Amount ($)
35,000
35,000
Rand per $
R6.94
R6.94
Put options purchased
Amount ($)
120,000
120,000
Rand per $
R6.98
R6.98
Put options sold
Amount ($)
120,000
120,000
Rand per $
R6.65
R6.65
Call options sold
Amount ($)
135,000
135,000
Rand per $
R7.35
R7.35
**AUD DOLLAR (000)**
Forward contracts
Amount ($)
190,000
190,000
$ per A$
$0.84
$0.84
Put options purchased
Amount ($)
140,000
140,000
$ per A $
$0.83
$0.83
Put options sold
Amount ($)

140,000
140,000
$ per A $
$0.87
$0.87
Call options sold
Amount ($)
140,000
140,000
$ per A$
$0.81
$0.81
**BRAZILIAN REAL DOLLAR**
**(000)**
Forward contracts
Amount ($)
31,000
31,000
BRL per $
BRL1.99
BRL1.99
Put options purchased
Amount ($)
24,000
24,000
BRL per $
BRL1.87
BRL1.87
Call options sold
Amount ($)
68,000
68,000
BRL per $
BRL1.92
BRL1.92
For a more detailed presentation of the investment maturity profile, borrowings maturity profile and interest rate risk profile of
these agreements, see note 26 to the consolidated financial statements “Financial risk management activities”.

**Credit risk**

Realization of all these contracts is dependent upon the counterparts performing in accordance with the terms of the contracts.

AngloGold Ashanti generally does not obtain collateral or other security to support financial instruments subject to credit risk, but monitors the credit standing of counterparts. AngloGold Ashanti spreads its business over a number of predominantly international, credit worthy counterparts and believes that no concentration of credit risk exists. Limits for each counterpart are based on the assessed credit quality of each counterpart. The Treasury Committee makes recommendations for board approval of all counterparts and the limits to be applied against each counterpart. Where possible, management tries to ensure that netting agreements are in place.

The counterparts are financial and banking institutions of good credit standing.

The combined maximum credit exposure at the balance sheet date amounts to $516 million on a contract by contract basis.

Credit risk exposure netted by counterpart amounts to $123 million. No set-off is applied to the balance sheet due to the different maturity profiles of assets and liabilities.

**Interest rate and liquidity risk**

Fluctuations in interest rates impact interest paid and interest received on the short-term cash investments and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the company receives cash from the proceeds of its gold sales and is required to fund working capital requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve market related returns while minimizing risks. The company is able to actively source financing at competitive rates.

The table below provides a summary of the number, type and credit quality of AngloGold Ashanti's hedge counterparts.

| **Number of Counterparts** | **Type** | **Credit Rating (Fitch)** |
|---|---|---|
| 1 | International Bank | AA+ |
| 9 | International Bank | AA |
| 8 | International Bank | AA- |
| 3 | International Bank | A+ |
| 1 | International Bank | A |
| 5 | International Bank | A- |
| 1 | South African Bank | AAA(zaf) (International BBB+) |
| 2 | South African Bank | |

AA+(zaf) (International BBB+)
1
South African Bank
AA(zaf) (International BBB)
1
South African Bank
AA-(zaf) (International BBB)
4 Brazilian Bank
AAA(bra)
3 Brazilian Bank
AA+(bra)
2 Brazilian Bank
AA(bra)
1 Brazilian Bank
AA-(bra)
1
Trade Finance House
Not rated
AngloGold Ashanti does not anticipate non-performance by any counterparts.

**Fair value**

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. In certain cases, these estimates involve uncertainties and cannot be determined with precision. The estimated fair
values of AngloGold Ashanti’s financial instruments at December 31, 2007 and 2006, are as follows (assets (liabilities)):

| | | **December 31, 2007** | | **December 31, 2006** | |
|---|---|---|---|---|---|
| | | **Carrying amount** | **Fair value** | **Carrying amount** | **Fair value** |
| **(in millions)** | | **$** | **$** | **$** | **$** |
| Cash and cash equivalents | (1) | 477 | 477 | 471 | 471 |
| Restricted cash | (1) | 37 | 37 | 11 | 11 |
| Short-term debt | (2) | (319) | (319) | (33) | (33) |
| Long-term debt | (2) | (1,564) | (1,564) | (1,472) | (1,484) |
| Derivatives | (3) (5) | (2,563) | (4,342) | (1,524) | (2,954) |
| Forward sales type agreements | | (572) | (1,616) | | |

(499)
(1,328)
Option contracts
(2,030)
(2,738)
(4)
(1,056)
(1,623)
(4)
Foreign exchange contracts
11
11
4
4
Foreign exchange option contracts
(6)
(6)
(12)
(12)
Interest rate swaps – Gold
34
7
39
5
*(1)*
*The carrying amounts approximate fair value because of the short-term duration of these instruments.*
*(2)*
*Fair value reflects the net present value of the future cash flows, discounted at the prevailing market rate. The fair value of listed fixed rate debt and the*
*Convertible Bonds are shown at their market value. The remainder of debt re-prices on a short-term floating rate basis, and accordingly the carrying*
*amount is considered to approximate fair value.*
*(3)*
*The fair value of the above instruments is calculated based on market prices, volatilities and interest rates, as at December 31, 2007 and 2006. Fair*
*value includes off balance sheet normal purchase and sale exempted contracts.*
*(4)*
*Includes deliverable call options sold. A deliverable option is an option in terms of which the delivery quantity is fixed regardless of the market price on*
*the exercise date. In the event that the market price is lower than the strike price, gold is sold to the counterpart at the ruling spot price.*
*(5)*
*Carrying amount represents derivatives on the balance sheet at each respective date.*
**Sensitivity analysis**
The following table shows the approximate sensitivities of the $ marked-to-market value of the hedge book at December 31,
2007 (actual changes in the timing and amount of the following variables may differ from the assumed changes below):
**Sensitivity analysis**
**Change in**
**Rate(+)**

| | | **Change in Fair value (1)** | **Change in Rate (-)** | **Change in Fair value (1)** |
|---|---|---|---|---|
| Currency (R/$) | 1 | (34.43) | 1 | 28.91 |
| Currency (A$/$) | 0.05 | 35.22 | 0.05 | (40.83) |
| Currency (BRL/$) | 0.10 | (3.76) | 0.10 | 3.74 |
| Gold price ($/oz) | 10 | (102.71) | 10 | 102.04 |
| US Interest Rate (%) | 0.1 | (10.27) | 0.10 | 10.29 |
| ZAR Interest Rate (%) | 0.1 | (0.31) | 0.10 | 0.31 |
| Aus Interest Rate (%) | 0.1 | (0.23) | 0.10 | 0.23 |
| Gold Interest Rate (%) | 0.1 | 21.76 | 0.10 | (21.88) |

*(1)*
*In $ million.*

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**Hedge levels**

AngloGold Ashanti employs hedging as an element of its risk management strategy.

A summary of the hedge position as at December 31, 2005, 2006 and 2007 is as follows. The "years of production hedged" is calculated as the hedge net delta position at year-end divided by the annual production for that year.

| **As at December 31,** | **Hedge Net Delta kg's** (1) | **Annual Production for Year kg's** (1) | **Years of Production Hedged** |
|---|---|---|---|
| 2005 | 337,076 | 191,783 | 1.76 |
| 2006 | 316,012 | 175,268 | 1.80 |
| 2007 | 323,121 | 170,354 | 1.90 |

*(1)* *Includes equity accounted joint ventures.*

On May 6, 2008, AngloGold Ashanti announced its intention to reduce its hedge position. See "Item 5.: Recent Developments".

**Item 12: Description of securities other than equity securities**

Not applicable.

**PART II**

**Item 13: Defaults, dividend arrearages and delinquencies**

None.

**Item 14: Material modifications to the rights of security holders and use of proceeds**

None.

**Item 15: Controls and procedures**

**Management certification**

*(a) Disclosure Controls and Procedures:* As of December 31, 2007, the company, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the company's disclosure controls and procedures (as defined in Rules 13a – 15(e) and 15d – 15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2007, the company's disclosure controls and procedures are effective, and are reasonably designed to ensure that information required to be disclosed by the company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by the company in reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

*(b) Management's Annual Report on Internal Control over Financial Reporting:* Management is responsible for establishing and maintaining adequate internal control over financial reporting for the company, as defined in the Exchange Act Rule 13a – 15(f) and 15d -15(f). The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

The company's internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the company;
- Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and the Directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The company's management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2007. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework.* Based on this assessment, and using those criteria, management concluded, and hereby reports that the company's internal control over financial reporting was effective as of December 31, 2007.

*(c) Changes in Internal Control over Financial Reporting:* There have been no changes in the company's internal control over
financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a – 15
during the year ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, the
company's internal control over financial reporting.

*(d) Attestation Report of the Registered Public Accounting Firm:* Our independent registered public accounting firm, Ernst &
Young, has issued an audit report on the effectiveness of our internal control over financial reporting. This report appears
below.

/s/
M
Cutifani
/s/
S
Venkatakrishnan

**Mark**
**Cutifani** **Srinivasan Venkatakrishnan**
**Chief Executive Officer**
**Chief Financial Officer**

**Report of the Independent Registered Public Accounting Firm**

**The board of directors and stockholders of AngloGold Ashanti Limited**

We have audited AngloGold Ashanti Limited's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). AngloGold Ashanti Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, AngloGold Ashanti Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States),

the 2007 consolidated financial statements of AngloGold Ashanti Limited and our report dated May 16, 2008 expressed an
unqualified opinion thereon.

Ernst & Young Inc.
Johannesburg
Republic of South Africa
May 16, 2008

**ITEM 16A: Audit committee financial expert**

Prof Wiseman Nkuhlu, Chairman of the audit committee, has been determined by our board to be an audit committee financial expert within the meaning of the Sarbanes-Oxley Act, in accordance with the Rules of the NYSE and the SEC. Prof WL Nkuhlu as well as each of the other members of the Audit and Corporate Governance Committee (being Mr FB Arisman, Mrs Bradley, Mr RP Edey and Mr JH Mensah) are independent directors. All members of the committee have considerable financial knowledge and experience to help oversee and guide the board and the company in respect of the audit and corporate governance disciplines.

**ITEM 16B: Code of ethics**

In order to comply with the company’s obligations in terms of the Sarbanes-Oxley Act and the King Code, and in the interests of good governance, the company has systems and procedures to introduce, monitor and enforce its ethical codes and has adopted a code of ethics for employees, a code of ethics for senior financial officers, and a whistle-blowing policy that encourages employees and other stakeholders to confidentially and anonymously report acts of an unethical or illegal nature that affect the company’s interests. Senior management oversee compliance with the ethical code by means of several mechanisms including assessing the integrity of new appointees in the selection and promotion process, adherence to the policy on the delegation of authority, induction of directors and employees on the company’s values, policies and procedures and compliance with a strict disciplinary code of conduct. All reports made in terms of the whistle-blowing policy are fielded by a third party, Tip-Offs Anonymous, which ensures all reports are treated confidentially or anonymously depending on the preference of the caller. The information is relayed to management and to internal audit for investigation. All reports and the progress of the investigations are conveyed to the audit and corporate governance committee by the group internal audit manager on a quarterly basis.

In addition, the company has adopted a Disclosures Policy, the object of which is to ensure compliance with the rules of the various exchanges on which it is listed and provide timely, accurate and reliable information fairly to all stakeholders, including investors (and potential investors), regulators and analysts.

Each code of ethics, whistle blowing and disclosure policy is available on the company’s website: www.AngloGoldAshanti.com under About > Corporate Governance > Guidelines. Each code of ethics and disclosure policy is also available on request from the company secretary.

**ITEM 16C: Principal accountant fees and services**

Ernst & Young has served as AngloGold Ashanti’s independent public accountants for each of the financial years in the three-year period ended December 31, 2007 for which audited financial statements appear in this annual report on Form 20-F.

The following table presents the aggregate fees for professional services and other services rendered by Ernst & Young to AngloGold Ashanti in 2007 and 2006.

| **(in millions)** | **2007** $ | **2006** $ |
|---|---|---|
| Audit Fees (1) | 7.73 | 9.29 |
| Audit-related Fees (2) | 0.80 | 0.88 |
| Tax Fees (3) | 0.05 | 0.06 |
| All Other Fees | - | - |
| Total | 8.58 | 10.23 |

*Rounding may result in computational differences.*

*(1) The Audit Fees consist of fees billed for the annual audit services engagement and other audit services, which are those services that only the external auditor reasonably can provide, and include the Company audit; statutory audits; attest services; and assistance with and review of documents filed with the SEC.*

*Included in the Audit fees, for 2007 and 2006, are fees paid to the external auditors in respect of SOX compliance.*

*(2) Audit-related Fees consist of fees billed for assurance and related services and include consultations concerning financial accounting and reporting standards; and comfort letters; and consents.*

*(3) Tax Fees include fees billed for tax advice and tax compliance services.*

***Audit Committee Pre-approval Policies and Procedures***

It is the policy of AngloGold Ashanti to maintain compliance with the requirements of the various applicable legislation and good governance practices when appointing or granting work to the Company's external auditor. Non-audit services may not be acquired without an employee of AngloGold Ashanti obtaining the pre-approval of the Audit and Corporate Governance Committee as is laid out in the procedures relating to the pre-approval process.

The audit committee has delegated the approval authority to the chairman of the Audit and Corporate Governance Committee, Prof Wiseman Nkuhlu or his designated official. The approval may take the form of a written or verbal response, and in the case of a verbal instruction these would be ratified at the next audit committee meeting. On a quarterly basis a summary of all approvals and work to date is tabled at the audit committee.

During 2007, no services were provided to AngloGold Ashanti by Ernst & Young in respect of Audit-related Fees (in the form of tax fees) paid pursuant to the de minimis exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

No work was performed by persons other than the principal accountant's employees on the principal accountant's engagement to audit AngloGold Ashanti's financial statements for 2007.

**ITEM 16D: Exemptions from the listing standards for audit committees**

Not applicable.

**ITEM 16E: Purchases of equity securities by the issuer and affiliated purchasers**

Neither the issuer nor any affiliate of the issuer, purchased any of the company's shares during 2007.

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**PART III**
**Item 17: Financial statements**
Not applicable.
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**Item 18: Financial statements**
**Report of the Independent Registered Public Accounting Firm**
The board of directors and stockholders of AngloGold Ashanti Limited
We have audited the accompanying consolidated balance sheets of AngloGold Ashanti Limited (the "Company") as of December 31, 2007 and 2006 and the related consolidated statements of income, stockholders' equity and cash flows for
each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.
The financial statements of Société d'Exploitation des Mines d'Or de Sadiola S.A. ("Sadiola"), a corporation in which the
Company has a 38 percent interest, have been audited by other auditors for the years ended December 31, 2006 and 2005
and for the periods then ended, whose report has been furnished to us, and our opinion on the consolidated financial statements, insofar as it relates to the amounts included for Sadiola, is based solely on the report of the other auditors. In the
consolidated financial statements, the Company's investment in Sadiola is stated at $66 million and $67 million, respectively,
at December 31, 2006 and 2005, and the Company's equity in net income is stated at $33 million and $8 million for each of
the two years in the period ended December 31, 2006.
The financial statements of Société d'Exploitation des Mines d'Or de Yatela S.A. ("Yatela"), a corporation in which the Company has a 40 percent interest, have been audited by other auditors for the year ended December 31, 2006 and for the
period then ended, whose report has been furnished to us, and our opinion on the consolidated financial statements, insofar
as it relates to the amounts included for Yatela, is based solely on the report of the other auditors. In the consolidated financial statements, the Company's investment in Yatela is stated at $26 million at December 31, 2006, and the Company's
equity in net income is stated at $34 million for the year then ended.
The financial statements of Société des Mines de Morila S.A. ("Morila"), a corporation in which the Company has a 40 percent interest, have been audited by other auditors at December 31, 2005 and for the period then ended, whose report
has been furnished to us, and our opinion on the consolidated financial statements, insofar as it relates to the amounts included for Morila, prior to restatement, is based solely on the report of the other auditors. In the consolidated financial
statements, the Company's investment in Morila is stated at $89 million at December 31, 2005 and the Company's equity in
net income is stated at $53 million for the year then ended.
We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United
States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the
amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and
significant estimates made by management, as well as evaluating the overall financial statement presentation. We

believe
that our audits and the reports of the other auditors provide a reasonable basis for our opinion.
In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AngloGold Ashanti Limited at December 31, 2007 and
2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2007 in conformity with U.S generally accepted accounting principles.
We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States),
the effectiveness of AngloGold Ashanti Limited's internal control over financial reporting as of December 31, 2007, based on
criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the
Treadway Commission and our report dated May 16, 2008 expressed an unqualified opinion thereon.
As discussed in note 2 to the consolidated financial statements, in 2007 the Company adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, and accordingly has evaluated
all tax positions and has made sufficient provision and disclosure.

As discussed in Note 2 to the consolidated financial statements, in 2006, the Company changed its method of accounting for stock-based compensation in accordance with SFAS123(R) *Share-Based Payment,* its method of accounting for deferred stripping costs in accordance with EITF Issue 04-6 *Accounting for Stripping Costs Incurred during Production in the Mining Industry*, and its method of considering the effects of prior year misstatements in accordance with SAB 108 *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements.*

As discussed in note 2 to the consolidated financial statements, in 2005 the Company changed its method of accounting for employee benefit plans in accordance with SFAS87 *Employers' Accounting for Pensions* and SFAS106 *Employers' Accounting for Postretirement Benefits Other Than Pensions*, and in 2006 in accordance with SFAS158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)*.

Ernst & Young Inc.
Registered Auditor
Johannesburg, Republic of South Africa
May 16, 2008

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**ANGLOGOLD ASHANTI LIMITED**
**Consolidated statements of income**
**FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 and 2005**
(In millions, except share and per share information)
**Notes**
**2007**
**$**
**2006**
**$**
**2005**
**$**
**Sales and other income**
3,095
2,715
2,485
Product sales
3,048
2,683
2,453
Interest, dividends and other
47
32
32
**Costs and expenses**
3,806
2,811
2,848
Production costs
1,917
1,539
1,642
Exploration costs
117
58
44
Related party transactions
6
(16)
(6)
37
General and administrative
130
140
71
Royalties
70
59
39
Market development costs
16

16
13
Depreciation, depletion and amortization
655
699
593
Impairment of assets
5
1
6
141
Interest expense
5
75
77
80
Accretion expense
5
20
13
5
Employment severance costs
5
19
22
26
Loss/(profit) on sale of assets, realization of loans, indirect taxes and other
5
10
(36)
(3)
Mining contractor termination costs
5
-
-
9
Non-hedge derivative loss
26
808
208
142
Other operating items
5
(16)
16
9
**Loss from continuing operations before income tax, equity income, minority interests and cumulative effect of accounting change**
(711)
(96)
(363)

Taxation (expense)/benefit
7
(118)
(122)
121
Minority interest
(28)
(29)
(23)
Equity income in affiliates
41
99
39
**Loss from continuing operations before cumulative effect of accounting change**
(816)
(148)
(226)
Discontinued operations
8
2
6
(44)
**Loss before cumulative effect of accounting change**
(814)
(142)
(270)
Cumulative effect of accounting change, net of taxation of $11 million in 2005
2/5
-
-
(22)
**Net loss – applicable to common stakeholders**
(814)
(142)
(292)
**(Loss)/earnings per share : (cents)**
From
continuing
operations
9
Ordinary shares
(293)
(54)
(85)
E Ordinary shares
(146)
(91)
-
Ordinary shares - diluted
(293)
(54)

(85)
E Ordinary shares - diluted
(146)
(91)
-
Discontinued
operations
9
Ordinary shares
1
2
(17)
E Ordinary shares
-
-
-
Ordinary shares - diluted
1
2
(17)
E Ordinary shares - diluted
-
-
-
Before cumulative effect of accounting change
9
Ordinary shares
(292)
(52)
(102)
E Ordinary shares
(146)
(91)
-
Ordinary shares - diluted
(292)
(52)
(102)
E Ordinary shares - diluted
(146)
(91)
-
Cumulative effect of accounting change
9
Ordinary shares
-
-
(8)
E Ordinary shares
-
-

-
Ordinary shares - diluted
-
-
(8)
E Ordinary shares - diluted
-
-
-
Net loss
9
Ordinary shares
(292)
(52)
(110)
E Ordinary shares
(146)
(91)
-
Ordinary shares - diluted
(292)
(52)
(110)
E Ordinary shares - diluted
(146)
(91)
-
**Weighted average number of shares used in computation**
9
Ordinary shares
277,337,292
272,613,263
264,635,634
E Ordinary shares - basic and diluted
4,117,815
194,954
-
Ordinary shares - diluted
277,337,292
272,613,263
264,635,634
**Dividend paid per ordinary share (cents)**
44
39
56
**Dividend paid per E ordinary share (cents)**
22
-
-
*The accompanying notes are an integral part of these Consolidated Financial Statements.*

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**ANGLOGOLD ASHANTI LIMITED**
**Consolidated balance sheets**
**AT DECEMBER 31, 2007 and 2006**
(In millions, except share information)
**Notes**
**2007**
**$**
**2006**
**$**
**ASSETS**
**Current Assets**
2,113
1,876
Cash and cash equivalents
477
471
Restricted cash
10
37
11
Receivables
205
160
Trade
35
40
Recoverable taxes, rebates, levies and duties
77
59
Related parties
6
1
Other
87
60
Inventories
11
523
354
Materials on the leach pad
11
49
46
Derivatives
26
516
649
Deferred taxation assets
7
275

167
Assets held for sale
16
31
18
**Property, plant and equipment, net**
12
5,527
4,977
**Acquired properties, net**
13
1,280
1,289
**Goodwill**
14
569
542
**Other intangibles, net**
14
22
24
**Derivatives**
26
-
6
**Other long-term inventory**
11
84
68
**Materials on the leach pad**
11
190
149
**Other long-term assets**
15
559
543
**Deferred taxation assets**
7
37
39
**Total assets**
10,381
9,513
**LIABILITIES AND STOCKHOLDERS' EQUITY**
**Current liabilities**
3,795
2,467
Trade accounts payable
396
278

Payroll and related benefits
106
94
Other current liabilities
17
132
126
Derivatives
26
2,782
1,782
Short-term debt
18
319
33
Tax payable
59
148
Liabilities held for sale
16
1
6
**Other non-current liabilities**
19
146
24
**Long-term debt**
20
1,564
1,472
**Derivatives**
26
297
397
**Deferred taxation liabilities**
7
1,345
1,275
**Provision for environmental rehabilitation**
5 / 21
394
310
**Other accrued liabilities**
22
45
27
**Provision for pension and other post-retirement medical benefits**
23
180
172
**Minority interest**

63
61
**Commitments and contingencies**
24
-
-
**Stockholders' equity**
25
2,552
3,308
**Common stock**
400,000,000 (2006 – 400,000,000) authorized common stock of 25 ZAR cents each
Stock issued 2007 – 277,457,471 (2006 – 276,236,153)
10
10
Additional paid in capital
5,607
5,539
Accumulated deficit
(2,440)
(1,476)
Accumulated other comprehensive income
(625)
(765)
**Total liabilities and stockholders' equity**
10,381
9,513
*The accompanying notes are an integral part of these Consolidated Financial Statements.*

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**ANGLOGOLD ASHANTI LIMITED**

**Consolidated statements of cash flows**

**FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 and 2005**

(In millions, except share information)

| | **Notes** | **2007 $** | **2006 $** | **2005 $** |
|---|---|---|---|---|
| **Net cash provided by operating activities** | | 561 | 770 | 347 |
| Net loss – applicable to common stockholders | | (814) | (142) | (292) |
| Reconciled to net cash provided by operations: | | | | |
| Cumulative effect of accounting change | | - | - | 22 |
| Loss/(profit) on sale of assets, realization of loans, indirect taxes and other | | 14 | 6 | (3) |
| Depreciation, depletion and amortization | | 655 | 699 | 593 |
| Deferred stripping costs | | - | - | (28) |
| Impairment of assets | | 1 | 6 | 141 |
| Deferred taxation | | (73) | (34) | (191) |
| Movement in non-hedge derivatives | | 802 | 339 | 54 |
| Equity income in affiliates | | | | |

(41)
(99)
(39)
Dividends received from affiliates
65
85
51
Other non cash items
34
5
31
Net increase/(decrease) in provision for environmental rehabilitation and pension and other post-retirement medical benefits
90
(62)
52
Effect of changes in operating working capital items:
Receivables
(77)
11
8
Inventories
(240)
(165)
(58)
Accounts payable and other current liabilities
147
122
37
Net cash provided by continuing operations
563
771
378
Net cash used in discontinued operations
(2)
(1)
(31)
**Net cash used in investing activities**
(1,031)
(611)
(624)
Acquisition of assets
(40)
-
-
Increase in non-current investments
(27)
(20)
(27)
Additions to property, plant and equipment

(1,015)
(811)
(710)
Proceeds on sale of mining assets
29
57
8
Proceeds on sale of discontinued assets
1
9
4
Proceeds on sale of available for sale investments
25
11
1
Dividends from available for sale investments
2
-
-
Cash outflows from derivatives purchased
-
-
(69)
Cash inflows from derivatives puchased
19
141
153
Loans receivable advanced
(1)
(1)
(7)
Loans receivable repaid
1
6
6
Change in restricted cash
(25)
(3)
17
**Net cash generated by financing activities**
462
119
200
Short-term debt repaid
(520)
(134)
(284)
Short-term debt raised
318
16
137

Issuance of stock
34
512
9
Share issue expenses
-
(5)
-
Long-term debt repaid
-
(418)
(19)
Long-term debt raised
525
142
471
Cash inflows from derivatives with financing
249
138
55
Dividends paid
(144)
(132)
(169)
**Net (decrease)/increase in cash and cash equivalents**
(8)
278
(77)
**Effect of exchange rate changes on cash**
14
(3)
(3)
**Cash and cash equivalents – January 1,**
471
196
276
**Cash and cash equivalents – December 31,**
477
471
196
*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**ANGLOGOLD ASHANTI LIMITED**
**Consolidated statements of stockholders' equity**
**FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 and 2005**
(In millions, except share information)
**Common stock**
**Common**
**stock**
**$**
**Additional paid**
**in capital**
**$**
**Accumulated other**
**comprehensive income***
**$**
**Accumulated**
**deficit**
**$**
**Total**
**$**
**Balance – January 1, 2005**
264,462,894
10
4,961
(423)
(702)
3,846
Net loss
(292)
(292)
Translation loss
(132)
(132)
Net loss on cash flow hedges removed from other comprehensive income and reported in income, net of tax
11
11
Net loss on cash flow hedges, net of tax
(134)
(134)
Net gain on available for sale financial assets arising during the period, net of tax
2
2
Comprehensive loss
(545)
Stock issues as part of Share Incentive Scheme
475,538
-
9
9
Unearned stock awards compensation expense
2
2

Dividends
(149)
(149)
**Balance – December 31, 2005**
264,938,432
10
4,972
(676)
(1,143)
3,163
Cumulative deferred stripping adjustment. Refer to Note 2.
(73)
(73)
Cumulative cut-off adjustment. Refer to Note 2.
(11)
(11)
Net loss
(142)
(142)
Translation loss
(108)
(108)
Net loss on cash flow hedges removed from other comprehensive income and reported in income, net of tax
97
97
Net loss on cash flow hedges, net of tax
(86)
(86)
Net gain on available for sale financial assets arising during the period, net of tax
8
8
Comprehensive loss
(315)
Stock issues as part of equity offering
9,970,732 -
498
498
Stock issues as part of Share Incentive Scheme
398,399
-
9
9
Stock based compensation expense
60
60
Dividends
(107)
(107)
**Balance – December 31, 2006**
275,307,563
10

5,539
(765)
(1,476)
3,308
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Cumulative FIN 48 adjustment. Refer to Note 2.
(25)
(25)
Net loss
(814)
(814)
Translation gain
93
93
Net loss on cash flow hedges removed from other comprehensive income and reported in income, net of tax
200
200
Net loss on cash flow hedges, net of tax
(166)
(166)
Hedge ineffectiveness on cash flow hedges, net of tax
10
10
Net gain on available for sale financial assets arising during the period, net of tax
3
3
Comprehensive loss
(699)
Stock issues as part of Share Incentive Scheme
1,181,882
-
37
37
Stock issues in exchange for E Ordinary shares cancelled
8,026
-
2
2
Stock issues transferred from Employee Share Ownership Plan to exiting employees
46,590
-
2
2
Stock based compensation expense
27
27
Dividends
(125)
(125)
**Balance – December 31, 2007**
276,544,061

10
5,607
(625)
(2,440)
2,552

** The cumulative translation loss included in accumulated other comprehensive income amounted to $488 million (2006: $581 million). The translation loss has no tax effect. The cumulative charge, net of deferred taxation of $96 million (2006: $96 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to $216 million (2006: $260 million). The cumulative gain, net of deferred taxation of $2 million (2006: $1 million), included in accumulated other comprehensive income in respect of available for sale financial assets amounted to $15 million (2006: $12 million). The cumulative gain included in accumulated other comprehensive income in respect of the hedge of a net investment in foreign entities amounted to $64 million (2006: $64 million). This gain is offset by $64 million (2006: $64 million) arising from translation of a net investment in foreign entities.*

*As at December 31, 2007 and 2006, $402 million and $286 million, respectively, of retained earnings arising from the Company's equity accounted joint ventures and certain subsidiaries may not be remitted without third-party shareholder consent.*

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

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**ANGLOGOLD ASHANTI LIMITED**

**Notes to the consolidated financial statements**

**FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 and 2005**

(In millions, except share information)

1.

**NATURE OF OPERATIONS**

AngloGold Ashanti Limited (the "Company"), as it conducts business today, was formed on April 26, 2004 following the Business Combination of AngloGold Limited (AngloGold) with Ashanti Goldfields Company Limited (Ashanti). AngloGold, formerly Vaal Reefs Exploration and Mining Company Limited, was incorporated in South Africa on May 29, 1944 and Ashanti was incorporated in Ghana on August 19, 1974. The Company conducts gold-mining operations in Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United