



Annual Report 2000

ASHANTI
GOLDFIELDS
COMPANY LIMITED



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Financial Calendar	
Annual General Meeting	25 April 2001
First Quarter Results	April 2001
Second Quarter Results	July 2001
Third Quarter Results	October 2001
Full Year Results	February 2002

2000	1.74
1999	1.56
1998	1.55
1997	1.17
1996	1.03

Gold Production (millions of ounces)

2000	335.0
1999	372.0
1998	385.0
1997	450.0
1996	444.0

Gold Price Realised (US\$ per ounce)

2000	187.0
1999	205.0
1998	218.0
1997	254.0
1996	252.0

Cash Operating Costs before exceptional items
(US\$ per ounce)

2000	203.9
1999	211.2
1998	208.1
1997	171.4
1996	153.7

Operating Cash Flow before exceptional items
(US\$ millions)

2000	30.5
1999	66.1
1998	73.9
1997	58.4
1996	60.0

Earnings before exceptional items (US\$ millions)

ASHANTI GOLDFIELDS COMPANY LIMITED IS AN AFRICAN-BASED INTERNATIONAL GOLD MINING AND EXPLORATION GROUP WITH SEVEN PRODUCING MINES IN FOUR AFRICAN COUNTRIES: GHANA, GUINEA, TANZANIA AND ZIMBABWE.

THE MINES, IN WHICH THE GROUP HAS INTERESTS, HAVE 43 MILLION OUNCES OF MEASURED AND INDICATED GOLD RESOURCES AND 25 ACTIVE EXPLORATION PROJECTS IN SIX AFRICAN COUNTRIES. THE COMPANY IS LISTED ON SIX INTERNATIONAL STOCK EXCHANGES.

ASHANTI'S VISION

- TO BE A LEADING GOLD PRODUCER IN AFRICA

OBJECTIVES

ASHANTI'S OBJECTIVES ARE TO:

- RETAIN AND CONSOLIDATE ITS POSITION AS A SENIOR TIER GOLD PRODUCER FOR THE LONG TERM
- MAINTAIN THE BEST MINING PRACTICES AND HIGHEST SAFETY STANDARDS
- MAINTAIN APPROPRIATE LEVELS OF HEDGE PROTECTION TO ENSURE THAT THE GROUP CAN MEET ITS COMMITMENTS AS AND WHEN THEY FALL DUE
- REDUCE DEBT LEVELS AND DEVELOP A REFINANCING PLAN
- PARTICIPATE IN THE CONTINUING CONSOLIDATION OCCURRING WITHIN THE INDUSTRY AND TO ENHANCE SHAREHOLDER VALUE FOR THE LONG TERM

STRATEGY

ASHANTI'S STRATEGY SEEKS TO:

- MAXIMISE CASH GENERATION THROUGH STRONG OPERATIONAL PERFORMANCE AT ALL OUR MINES
- CONTINUE WITH THE RESTRUCTURING OF THE HEDGE BOOK TO MINIMISE EXPOSURE TO MARGIN CALLS FROM 2003
- CONTINUE TO MAINTAIN COST AND PERFORMANCE FOCUS BY SETTING AND ATTAINING CRITICAL MEASURES IN PRODUCTION, COST AND PROFITABILITY
- SECURE OPERATIONAL AND FINANCIAL GAINS BY CONTINUALLY IMPROVING INTERNAL RESOURCES AND SYSTEMS
- FOSTER GOOD RELATIONS WITH KEY STAKEHOLDERS
- CONTINUALLY MAINTAIN AND INCREASE ORE RESERVES BY FOCUSING ON EXPLORATION NEAR EXISTING OPERATIONS
- INCREASE ASSET PORTFOLIO WITH FOCUSED EXPLORATION IN STRATEGICALLY IMPORTANT COUNTRIES
- CONTINUE WITH THE HIGH DEGREE OF SAFETY-CONSCIOUSNESS ESTABLISHED AMONG STAFF WITH A VIEW TO ACHIEVING A NATIONAL OCCUPATIONAL SAFETY AWARD (NOSA) FIVE-STAR RATING ACROSS THE GROUP

Ashanti ended the year 2000 on a very strong note having successfully dealt with challenges on several fronts. In particular, through the continued support of the Group's banks and hedge counterparties a number of issues arising from our liquidity crisis in 1999 were addressed.

Ashanti's effort to strengthen its balance sheet was bolstered by shareholders' approval of the proposal to sell a 50 per cent interest in the Geita mine to AngloGold Limited ("AngloGold") at its Extraordinary General Meeting of 27 November 2000. Ashanti applied the proceeds of the sale to reduce Group borrowings.

Safety, Health and Environment

Ashanti continued to maintain its world class health and safety record during 2000. The Group's achievements in the area of safety have been elaborated upon in the Chief Executive's review.

Stock Market

Our stock traded between US\$1.38 and US\$3.75 during the year on the New York Stock Exchange.

This reflected market conditions as well as the effects of Ashanti's financial difficulties in the last quarter of 1999. The Board is mindful of the challenge it faces in seeking to enhance shareholder value.

In this regard, we are delighted that the new Ghana Government, under the Presidency of His Excellency John Agyekum Kufuor, has given clear indications of its determination to encourage the private sector which has been described as an engine of growth for the Ghanaian economy.

Ashanti intends to work closely with the Government as a major shareholder and regulator with a view to ensuring the restoration of value for all shareholders.

To assist in this restoration, the Board has among others, put together new long-term incentive plans to help attract, retain and motivate management and staff. The plans, which have been explained in a separate circular, will be presented to shareholders for approval at the forthcoming Annual General Meeting.

Earnings and Dividend

Group earnings before exceptional items decreased from US\$66.1 million to US\$30.5 million due to a lower realised gold price and higher interest charges. However, after exceptional items of US\$171.6 million (1999: US\$250.0 million), the Group made a net loss of US\$141.1 million (1999: net loss US\$183.9 million).

Although the Company's liquidity position is improving, the Board is unable to recommend the payment of dividends this year because of the negative balance in reserves and current restrictions under the banking covenants.

Financial and Risk Management

During the year, Ashanti secured consent from its hedge counterparties and lending banks for the Geita transaction thereby ensuring a significant reduction in the Group's debt levels.

Furthermore, to assist in responding to the challenges flowing from the low gold price environment and the role of hedging, the Board formed a risk management committee to monitor the execution of risk management policies of the Group.

Our new Chief Financial Officer, Mr Srinivasan Venkatakrishnan, previously a director of Deloitte & Touche, has already proven effective in managing Ashanti's finances.

A corporate governance committee under the chairmanship of the Rt. Hon. The Baroness Chalker of Wallasey PC was formed during the year to review wider governance issues.

Board of Directors

My predecessor formally welcomed the directors who joined the Board prior to the 1999 Annual General Meeting. Their details, including those who left the Board at that time are set out on page 27.

At the Extraordinary General Meeting, shareholders approved of Mr Srinivasan Venkatakrishnan as Chief Financial Officer, and on 18 December 2000, the Board appointed Mr John Robinson, the Finance Director of Lonmin Plc, as a non-executive director. Mr Nicholas Morrell, formerly chief executive of Lonmin Plc, remains on the Board as an independent director.



M E BECKETT

On a personal note, I would like to thank my colleagues on the Board for the support they offered me during the period that I was Interim Chairman. I am even more grateful to them for the confidence expressed in appointing me as Chairman of the Board in March 2001.

Employees

The Group is in a stronger state than could have been imagined at the beginning of the year 2000. This has been achieved through the hard work of our dedicated management and employees which has enabled us to post a record production, reduce costs and deliver very good results in our safety and health efforts.

Future

Having achieved a significant reduction in the Group's debt levels, we are poised to confront other key challenges ahead of us, although current industry conditions make the obstacles quite formidable. However, we are hopeful that the combined support of our key stakeholders and management initiatives currently under way, will create the basis for further progress in the medium term.



M E Beckett
Chairman

Salient Features

- Record Group gold production of 1.74 million ounces
- Cash operating costs before exceptional items reduced to US\$187 per ounce, lowest in six years
- World class achievements in Safety, Health and Environment
- Acquisition of Teberebie mine completed
- Geita joint venture concluded with AngloGold
- Group gross debt lowered from a peak during 2000 of US\$693.3 million by 47% to US\$365.7 million at year end
- Hedge book mark-to-market positive, US\$29.1 million, as at 31 December 2000 (1999: negative US\$231.2 million)

Highlights

	2000	1999
Financial (US\$)		
Turnover	582.2m	582.1m
Earnings before exceptional items	30.5m	66.1m
Earnings after exceptional items	(141.1m)	(183.9m)
Operating cash flow before exceptional items	203.9m	211.2m
Earnings per share before exceptional items	0.27	0.59
Earnings per share after exceptional items	(1.25)	(1.64)
Gold Production (ounces)		
Obuasi	640,988	743,111
Bibiani	273,711	261,899
Iduapriem/Teberebie	193,868	163,700
Ayanfuri	36,316	44,424
Siguiri	303,381	239,218
Freda-Rebecca	112,164	109,184
Geita	176,836	-
Total	1,737,264	1,561,536
Total Production Costs before exceptional items (US\$ per ounce)		
Cash operating costs	187	205
Royalties	8	8
Depreciation and amortisation	65	72
Total	260	285
Ore Reserves and Mineral Resources (million ounces)*		
Proved and Probable Ore Reserves	25.3	22.6
Measured and Indicated Mineral Resources	43.3	37.1

*includes 100% of Geita

ASHANTI ENDED THE YEAR 2000 ON A VERY STRONG NOTE HAVING SUCCESSFULLY DEALT WITH FORMIDABLE CHALLENGES ON SEVERAL FRONTS.

Overview

The Group exceeded its production and cost targets for the full year in an environment which remained difficult for the industry as a whole.

Annual gold production at 1,737,264 ounces, was 11 per cent above the previous year. These results were achieved despite the premature cessation of Obuasi surface mining during the second quarter of the year. Group cash operating costs at US\$187 per ounce, represented a 9 per cent reduction over the US\$205 per ounce achieved in 1999.

Our safety standards continue to improve throughout the Group. The lost time injury frequency rate for the Group decreased from 2.62 per million man-hours in 1999 to 2.58 per million man-hours in 2000. Frequent workshops, rigorous training in safety practices and regular safety audits throughout the Group's operations were the key factors contributing to the improved safety performance.

Freda-Rebecca and Bibiani became the first mines outside South Africa to be awarded that country's prestigious NOSA (National Occupational Safety Association's) five-star rating. The Siguiri and Iduapriem mines were also upgraded to four-star ratings. These achievements emphasise the Group's commitment to the health and safety of our workforce and to the maintenance of high environmental standards. The other mines in the Group are scheduled to be audited for appropriate NOSA ratings in 2001.

Freda-Rebecca in Zimbabwe won that country's Natural Resources Board's annual award for the best environmental management programme.

The acquisition of the Teberebie mine in Ghana during the second quarter added significant ore reserves for treatment at the Iduapriem CIL and heap leach plants, which extended Iduapriem mine life by more than nine years.

The Group successfully completed the sale of a 50 per cent interest in Geita to AngloGold on 15 December 2000 and applied the proceeds of the sale to reduce Group debt levels. The Geita joint venture with AngloGold has made a good start and the mine increased its ore reserves by 41 per cent during the year by conversion of resources.

Operations

Record gold production was posted at four of our mines, namely Bibiani, Iduapriem (both in Ghana), Siguiri in Guinea and Freda-Rebecca in Zimbabwe. In addition, there was a good start-up at Geita. As a result, and despite the rationalisation at Obuasi which now accounts for only 37% of total production, the Group achieved a new record in gold production.

Allied to these encouraging production results, the Group also achieved the lowest cash operating costs in six years. At Siguiri, the mine achieved record production of 303,381 ounces at a cash operating cost of US\$181 per ounce. Obuasi's cash operating costs for the year fell from US\$222 per ounce in 1999 to US\$208 per ounce in 2000. Bibiani, in particular, achieved the lowest cash operating cost per ounce of US\$134 as compared to the US\$162 per ounce it registered in 1999, while Iduapriem, with the benefit of Teberebie, maintained its downward trend in costs from US\$248 per ounce in 1999 to US\$223 per ounce in 2000.

Completion of the Geita mine ahead of schedule and on budget was followed by the successful commencement of the joint venture with AngloGold and significant successes on the exploration front.

Financial Challenges

We initiated a number of steps in resolving the key financial difficulties we encountered during 2000.

In terms of liquidity, a US\$100 million Bridge Facility was secured in February 2000 to finance the completion of Geita and to meet the Group's working capital requirements. At the same time, tight cash management measures were instituted which restricted the utilisation of this Bridge Facility to only US\$75 million.



S E JONAH

OPPOSITE: A VIEW OF A SECTION OF THE OBUASI MINE FROM THE BIOX[®] PLANT



ASHANTI ACHIEVED RECORD GROUP PRODUCTION AT THE LOWEST PRODUCTION COSTS IN SIX YEARS, WHILE RECORDING MAJOR SUCCESSES IN THE AREA OF SAFETY, HEALTH AND ENVIRONMENT.

The Board, supported by its Banks, approved a new hedging policy during the year. As part of the Group's continuing efforts to work towards the goals aspired to by this policy, future hedging commitments and lease rate exposure were reduced by approximately 2 million ounces each. The mark-to-market value of the hedgebook was positive as at 31 December 2000.

Ashanti met the challenge of achieving both an immediate and significant reduction in Group debt by completing the sale of a 50% interest in the Geita mine. The proceeds of the sale were applied to retire the Bridge Facility and two tranches of the Group's Revolving Credit Facility. Additional prepayments were also made to reduce debt levels. The Group's gross debt level (excluding the 50% share of the non-recourse Geita Project Finance) fell from its peak level in the year by 47% to US\$365.7 million.

The Group strengthened its financial management team with the appointment of Srinivasan Venkatakrishnan, formerly a Director of Deloitte & Touche, as Chief Financial Officer and Mark Arnesen as Managing Director – International Treasury. In addition, a risk management committee under the chairmanship of Dr David Creed, who is a non-executive director, was formed and this committee is monitoring the management initiatives of the Group with particular focus on financial risks, including hedging.

Exploration

Ashanti continued to concentrate its current operations where the full benefits of additional reserves can be more quickly realised.

At Obuasi, further exploration work is to be undertaken on the promising discoveries from below the 50 level.

Geita ore reserves increased to 63.6 million tonnes grading 3.8 grammes per tonne, equivalent to 7.8 million ounces during the year.

Community Relations

During the year, Ashanti maintained its commitment to improve the standards of living in the local communities in which it operates.

At Geita, a new primary school was built and the hospital renovated. In addition, water was made available to all the communities along the 22-kilometre pipeline from Lake Victoria to Geita.

Ashanti continued to operate schools and medical facilities in Obuasi, Bibiani, Iduapriem, Siguiri, Freda-Rebecca in the Bindura District of Zimbabwe and Geita. The Group ran HIV/AIDS awareness campaigns at all of its mines. It also renewed its commitment to involving the communities in which it operates in projects aimed at benefiting them. In particular, a micro credit finance system initiated in some of these communities in which we operate, continues to make a positive impact.

Gold Industry

Ashanti achieved a solid operational performance in 2000, setting new records of production and safety and significantly reducing costs. I would like particularly to commend our resourceful management and employees whose dedication, support, resilience and fortitude enabled Ashanti to manage successfully the enormous challenges which it faced in the year under review. Although the challenge presented by the volatility in the gold price last year has been met, in the current depressed state of the gold market the Group still faces a formidable task in reducing further its level of debt.



S E Jonah

Chief Executive and Group Managing Director



SURVEYING AND EXPLORATION AT OBUASI

OPPOSITE: TRAINING SESSION AT ASHANTI'S UNDERGROUND SCHOOL – THE CONVENTIONAL MINING TRAINING CENTRE.



IN ZIMBABWE, FREDA-REBECCA MINE WON THAT COUNTRY'S NATURAL RESOURCES BOARD'S ANNUAL AWARD FOR THE BEST ENVIRONMENTAL MANAGEMENT PROGRAMME.

Overview

The Ashanti Group maintained the steady growth in production of the recent past by establishing yet another record. Four out of our seven mines set new production records while Geita, the newest mine in the Group, made an impressive start.

Obuasi

Production and Costs

For the year, Obuasi produced 640,988 ounces compared to 743,111 ounces in 1999. Obuasi's cash operating costs before exceptional items were US\$208 per ounce compared to US\$222 per ounce in 1999. The closure of the high cost surface operations and improved cost control throughout the operation largely accounted for the lower cash operating cost achieved in 2000.

Underground mining operations contributed 2.3 million tonnes, the same as 1999. The grade for the year at 7.87 grammes per tonne compares with 7.86 grammes per tonne achieved in 1999. The mined grade remained below 8.00 grammes per tonne due to the increased tonnage arising from the lower grade mechanised bulk mining blocks. During 2000 the initiative to convert cut and fill stopes to mechanised open stopes continued as part of the process to improve productivity, reduce mining costs and improve safety.

The major underground project work in 2000 included further development, support and track installation on 41 level main haulage to both the south and north of the mine, the sinking and lining of the Sansu ventilation shaft, development and support of the Kwesi Renner Shaft crusher station and upgrading of the mine hydrafill transmission system.

Open pit production was 0.9 million tonnes grading 4.20 grammes per tonne compared to 3.03 million tonnes grading 3.03 grammes per tonne in 1999. Rehabilitation of the open pit workings is ongoing.

Processing

A total of 5.3 million tonnes were processed compared to 7.0 million tonnes in 1999.

The Pompora and Oxide treatment plants, which were shut down in July and September respectively, will remain on care and maintenance until the decommissioning plan is completed. In the interim, they will provide strategic backup processing capacity as and when that is needed.

At the Sulphide Treatment Plant, the head grade increased from 4.97 grammes per tonne in 1999 to 6.32 grammes per tonne in 2000 and metallurgical recovery improved from 76.9 per cent to 82.1 per cent. During the year, various processing initiatives led to an upgrade of the carbon management system, extended leach time and associated improvements in overall recovery and unit gold production costs.

At the Tailings Treatment Plant, metallurgical recovery was 31.1 per cent compared to 33.1 per cent in 1999. The plant throughput and feed grade improved to 1.83 million tonnes at 2.39 grammes per tonne compared to 1.76 million tonnes at 2.31 grammes per tonne the previous year, resulting in a slight increase in gold production.

Exploration

The main objectives of the underground diamond drilling programme were the upgrading of the resource to reserve status across the mine and the delineation of new resources in the south section above the 41 level, the north section of the mine above the 20 level and below the 50 level across the base of the mine between the Adansi and Brown sub-vertical shafts. In the south end of the mine, interesting intersections were obtained in the East Lode. In the north, drilling identified high grade quartz mineralisation and further drilling is planned to test its strike continuity and up and down dip extension. Drilling below 50 level provided consistently good results across strike showing that mineralisation extended down to the deepest levels drilled. Several plus 20 grammes per tonne intersections over mineable widths were made in quartz material down to 56 level in the vicinity of the Kwesi Mensah Shaft.



T S SCHULTZ

OPPOSITE: UNDERGROUND DRILLING AT OBUASI



THE ASHANTI GROUP MAINTAINED THE STEADY GROWTH IN PRODUCTION OF THE RECENT PAST BY ESTABLISHING YET ANOTHER RECORD.

Ayanfuri

Gold production fell by 18 per cent from 44,424 ounces in 1999 to 36,316 ounces in 2000 as the mining rate reduced and ore reserves were gradually being depleted. The cash operating cost increased to US\$245 per ounce from US\$202 on the lower level of gold production.

Engineering design work and economic analysis is underway on a small new resource block identified in the vicinity of the mine.

Iduapriem (80% owned)

Gold production for 2000 was a record 166,892 ounces. Cash operating costs were reduced from US\$248 per ounce in 1999 to US\$223 per ounce. The principal reason for this performance was the increased carbon-in-leach (CIL) and heap leach plant throughput grades. Tonnage throughput at the CIL plant was affected by the harder nature of the ore being mined from the Teberebie South Pit and mechanical problems with the primary crushing system.

The Teberebie acquisition has added 37.2 million tonnes grading 1.71 grammes per tonne of new ore reserves and has extended the mine life by more than nine years at current production levels. In addition, analysis of the drill data within both the Iduapriem and Teberebie properties indicates that there is a large low grade resource which needs to be further explored and analysed to assess the potential of generating additional reserves to further extend the mine life.

Teberebie (90% owned)

During 2000, Ashanti continued to leach the ore previously stacked on the Teberebie pads and a total of 26,976 ounces of gold was recovered.

Bibiani

Bibiani produced a record of 273,711 ounces at a cash operating cost of US\$134 per ounce during 2000 compared to 261,899 ounces at a cash operating cost of US\$162 per ounce in the previous year.

Milled throughput for the year was 2.76 million tonnes at a feed grade of 3.70 grammes per tonne compared to 2.48 million tonnes at 3.82 grammes per tonne for 1999. Metallurgical recovery in 2000 increased to 86.7 per cent from 85.9 per cent in 1999.

Evaluation of a trackless underground mining operation to exploit extensions of the open pit resources at depth continued and will be extended into 2001. Business initiatives to acquire prospective ground within economic haulage distance of the processing plant and extend the mine life beyond 2004 will also be further progressed in 2001.

Siguiri – Guinea (85% owned)

Siguiri produced a record total of 303,381 ounces at a cash operating cost of US\$181 per ounce compared with 239,218 ounces at US\$185 per ounce in 1999. Both production and cash operating costs were adversely affected by lower mined and stacked grades during the year. In addition, operating costs were affected by a 50 per cent increase in the price of diesel fuel.

Metallurgical recovery for the year increased to 79.3 per cent from 67.8 per cent in 1999, largely due to the delayed release in the first half of 2000 of large quantities of gold locked up in material stacked in the latter half of 1999 as part of the Phase II expansion build up.



ASHANTI GEOLOGISTS EXAMINING DRILL CORES

OPPOSITE: SURFACE OPERATIONS AT BIBIANI



THE ORE RESERVES AT GEITA'S NYANKANGA DEPOSIT INCREASED BY 67% TO 31.6 MILLION TONNES GRADING 4.9 GRAMMES PER TONNE.

Freda-Rebecca – Zimbabwe

Full year production in 2000 was a record 112,164 ounces at a cash operating cost of US\$198 per ounce compared to 109,184 ounces at US\$174 per ounce in 1999.

Underground production for the year at 1.04 million tonnes and a head grade of 3.69 grammes per tonne was similar to production in 1999. During the year, the main focus for the mine was to improve productivity of the trackless mining fleet by improving maintenance and supervision.

Processed tonnage for the year was 1.00 million tonnes at 3.89 grammes per tonne compared with 1.14 million tonnes at 3.32 grammes per tonne in 1999. Plant recovery in 2000 of 89.8 per cent was in line with 1999. Processing operations were affected by a strike in February and a number of mechanical failures on the two SAG mills during the year. The problems associated with major mill component failures have been addressed and a programme is in place to upgrade the maintenance service in the processing plant to improve future availability.

The economic and political situation in Zimbabwe during 2000 posed a series of difficult problems for the management team. The lack of foreign exchange and the fixed exchange rate coupled with high inflation put severe pressure on the supply function and operating costs. Towards the end of the year the availability of foreign exchange improved but the situation remained tight.

Notwithstanding these developments, the Freda-Rebecca mine, which had been the first Ashanti mine to be awarded the NOSA four-star rating, in 1999, was upgraded to five-star in 2000. The mine was again recognised by the Zimbabwe Chamber of Mines for its outstanding environmental management programme.

Geita – Tanzania (50% owned)

Geita mine was commissioned in June 2000 and produced a total of 176,836 ounces during the year at a cash operating cost of US\$145 per ounce. Since commissioning, a total of 1.24 million tonnes of ore were mined at a grade of 3.00 grammes per tonne and a strip ratio of 9.6:1. In 2000, a total of 2.08 million tonnes were processed at a grade of 2.94 grammes per tonne with a metallurgical recovery of 92.0 per cent.

During the commissioning and production build-up period, problems were encountered with the SAG mill liners and the lubrication systems for both the mill and the primary crusher. Apart from this, there were no significant problems with the processing plant and it is now operating at nameplate capacity. Metallurgical recovery is in line with feasibility projections.

On 15 December 2000, Ashanti completed the sale to AngloGold of 50 per cent of its interest in the Geita mine pursuant to both a Sale and Purchase Agreement and a Joint Venture Agreement signed between the parties.

Exploration

Ashanti's exploration focus continued to be in and around its existing mining operations.

East Africa

At Geita, the deep infill and extension drilling at Nyankanga was particularly successful during the second half of the year with open pit reserves increasing by 67 per cent to 31.6 million tonnes grading 4.9 grammes per tonne, equivalent to 5 million ounces. The optimised pit has increased in depth and included some of the previously inferred underground resource, outlined last year. Together with revised pit optimisation parameters, ore reserves at Geita increased to 63.6 million tonnes grading 3.8 grammes per tonne, equivalent to 7.8 million ounces.



UNDERGROUND DRILLING AT OBUASI

Total resources, including inferred, increased to 14.6 million ounces with the addition of AngloGold's Nyamulilima property. Feasibility studies have now commenced on the 1.7 million ounce underground resource of 6 million tonnes grading 8.9 grammes per tonne at Nyankanga, which occurs below the current optimised pit.

Exploration is now focusing on other prospects within the extensive Geita licences. Early results are encouraging from the new Chipako prospect, found some 6 kilometres north-west of the plant, with further drilling to be undertaken to outline the full strike and depth extent of this mineralisation.

Exploration results from the Spinifex properties were not sufficiently encouraging to continue with the farm-in agreement and it was allowed to lapse.

West Africa

At Siguiri in Guinea, exploration outlined a new small laterite reserve at Sintroko, while low grade laterite and saprolite mineralisation was identified south of the Kosise pit. A drilling programme also commenced to test the fresh rock potential below the Sanu Tinti, Kami and Eureka Hill deposits. At year end, resources including inferred at Siguiri totalled 107 million tonnes grading 1.2 grammes per tonne, containing 4.2 million ounces.

In Côte d'Ivoire, rotary air blast (RAB) drilling commenced on the Allangoua concession near the border with Ghana. Initial drilling is targeting the 3 kilometre long Abradine geochemical soil anomaly.



POTABLE WATER PROVIDED TO THE GEITA COMMUNITY



COMMUNITY RELATIONS AT GEITA

At Youga in southern Burkina Faso, additional drilling on a number of prospects made little impact on the open pit reserves which total just over half a million ounces (5 million tonnes grading 3.2 grammes per tonne). A number of possible exploitation options are under review.

Southern Africa

In Zimbabwe, exploration continued to focus around the Freda-Rebecca mine. On the RAN project, approximately 3 kilometres east of Freda-Rebecca, encouraging gold/copper drill intersections were obtained. Further drilling is to be undertaken to outline the full strike extent of this mineralisation and to outline resources.

Democratic Republic of Congo – Kimin

Ashanti's 86.2 per cent interest in the Kimin project which was recognised by the government in 1999 is being monitored, given the recent political developments in that country.

Safety, Health and Environment

Environmental work on all operating units proceeded according to plan with rehabilitation of dumps, monitoring of air, water and noise pollution levels and implementation of services for local communities. Environmental audits were undertaken at all mines, including the newly acquired Teberebie property, and there were no significant out of compliance reports relating to the environment within the Group.

Trials on a bacteria cyanide detoxification process, at Obuasi, were successfully completed and construction of a full-scale facility has been approved for 2001. At Bibiani, a treatment plant was commissioned to treat arsenic contaminated water that is being pumped from the open pit as it extends to depth through the flooded old workings. Ayanfuri mine closure plans were updated and the major components of the rehabilitation programme were scheduled.

Ashanti was involved in the preparation of guidelines for mining in forestry reserve areas in Ghana. The guidelines have been submitted to the relevant government authorities for review and approval.

Summary of production and cash operating costs per ounce

	Obuasi Underground	Obuasi Surface	Obuasi Tailings	Obuasi Total	Ayanfuri	Iduapriem*	Bibiani	Siguiri	Freda- Rebecca	Geita	Total/ Average
Year ended 31 Dec 2000											
Production (ounces)	493,926	103,306	43,756	640,988	36,316	193,868	273,711	303,381	112,164	176,836	1,737,264
Cost per ounce (US\$)	204	267	114	208	245	223	134	181	198	145	187
Year ended 31 Dec 1999											
Production (ounces)	490,013	209,797	43,301	743,111	44,424	163,700	261,899	239,218	109,184	–	1,561,536
Cost per ounce (US\$)	206	277	144	222	202	248	162	185	174	–	205

* Iduapriem figures include those of Teberebie.



FIRST AID TRAINING

ENVIRONMENTAL SURVEY

OPPOSITE: NURSERY SUPPORTING REVEGETATION PROJECT AT OBUASI



DRILLING BELOW 50 LEVEL (AT OBUAS!) PROVIDED CONSISTENTLY GOOD RESULTS ACROSS STRIKE SHOWING THAT MINERALISATION EXTENDED DOWN TO THE DEEPEST LEVEL DRILLED.

Summary

- Record Group gold production of 1,737,264 ounces
- Nine per cent reduction in Group's average cash operating costs before exceptional items to US\$187 per ounce
- Earnings (before exceptional items) of US\$30.5 million. Exceptional items (including asset impairment) charged totalling US\$171.6 million (net)
- Sale of 50 per cent interest in the Geita mine to, and joint venture with, AngloGold completed
- Group gross debt level reduced from its peak during 2000 of US\$693.3 million by 47 per cent to US\$365.7 million at the year end
- Mark-to-market value of the hedge book at 31 December 2000 was US\$29.1 million positive
- Future hedging commitments and lease rate exposure reduced by approximately 2 million ounces each

Revenue

Total revenue for the year was maintained at US\$582.2 million (1999: US\$582.1 million), despite the lower average realised gold price of US\$335 per ounce (1999: US\$372 per ounce), due to an 11 per cent increase in production – 1,737,264 ounces (1999: 1,561,536 ounces).

Spot revenue generated amounted to US\$485.2 million (1999: US\$438.1 million). Hedging income totalled US\$97.0 million, of which US\$54.4 million was realised from the close-outs of maturing hedging contracts and US\$42.6 million was released from deferred hedging income i.e. income from previously closed-out hedging contracts.

In accordance with the Group's accounting policy, income from early close-outs is credited to revenue in the originally designated delivery period. At 31 December 2000, deferred hedging income totalled US\$120 million (1999: US\$157 million) of which US\$54 million will be credited to revenue in 2001.

Hedging

Ashanti's gold hedging programme has the primary objective of protecting the Group's revenue stream such that the cash

flow of the Group going forward will be adequate to meet its obligations as they fall due. This objective takes into account the level of Ashanti's commitments in terms of operating costs, capital expenditure and debt service obligations relative to the potential fluctuations in the gold price.

This is pursued in a manner that is intended to preserve, to the extent that it is reasonably possible, the exposure of Ashanti's cash flows to potential increases in the gold price.

The Hedge Policy, as approved by the Board of Directors, governs Ashanti's hedging. The Policy broadly aspires to the following goals:

- Limits commitment levels to a percentage of future forecast production levels, these percentages decreasing over time
- Sets a minimum level of protection sufficient to ensure that the Group should be able to meet its commitments as and when they fall due
- Limits lease rate exposure to a percentage of protection

As at 31 December 2000, the hedge portfolio had a positive mark-to-market value of US\$29.1 million based on a spot price of US\$273 per ounce (1999: negative mark-to-market value of US\$231.2 million).

As at 31 December 2000, Ashanti had 5.4 million ounces of protection at an average price of US\$364 per ounce. Over the life of the hedge book, Ashanti has 44 per cent of total forecast production protected and 75 per cent of total forecast production committed. Ashanti's goal is to continue to decrease the levels of commitments and lease rate exposure whilst maintaining prudent levels of protection, and minimising exposure to margin calls when the margin free trading period ends on 31 December 2002. During the year, as part of this ongoing restructuring of the hedge book, the Group reduced its future hedging commitments and lease rate exposure by approximately 2 million ounces each.



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Cash Operating Costs

The drive to reduce unit cash operating costs continued during 2000. The Group's average cash operating costs before exceptional items were reduced by 9% to US\$187 per ounce (1999: US\$205 per ounce). The principal contributors to this reduction were Obuasi, Iduapriem, Bibiani and Geita.

Exploration and Corporate Administration

Exploration expenditure for the year was higher at US\$14.2 million (1999: US\$12.4 million). This was primarily due to increased drilling exploration at the mines and on the Pangea property in Tanzania.

Corporate Administration expenditure for the year totalled US\$25.3 million (1999: US\$25.8 million).

Depreciation

Depreciation and amortisation charges (excluding exceptionals) were maintained at US\$114.8 million (1999: US\$114.9 million).

Total Costs

Total costs (before exceptional items) comprising cash operating costs, royalties, depreciation and amortisation, exploration expenditure and corporate administration amounted to US\$493.1 million (1999: US\$485.8 million). The total costs per ounce fell from US\$311 per ounce in 1999 to US\$284 per ounce in 2000.

In cashflow terms also, total costs (before exceptional items) comprising cash operating costs, royalties, sustaining capital expenditure, exploration expenditure and corporate administration fell from US\$306 per ounce in 1999 to US\$252 per ounce in 2000.

Exceptional Items

Exceptional items, which have been identified separately in the profit and loss account, comprised the following:

Exceptional gain:

- Profit arising from the disposal of 50% interest in the Geita mine amounting to US\$51.2 million

Exceptional charges:

- In view of the continued low gold price environment, an impairment review was carried out in 2000. This resulted in the reduction in the carrying value of the mining assets, at Obuasi, Freda-Rebecca and Kimin totalling US\$193.5 million
- As mentioned in the Circular to securityholders dated 25 October 2000, Ashanti agreed, as part of its negotiations with its Banks and hedge counterparties, during the period leading up to the Geita sale, to close out certain hedge positions which resulted in an exceptional loss of US\$14.7 million
- Further redundancy and related costs in respect of Obuasi totalling US\$7.0 million
- Loss on sale of 50% interest in Carmeuse Lime Products (Ghana) Limited of US\$4.6 million in order to secure competitive lime prices for the next three years

Financing Costs

Net interest costs charged to the profit and loss account for the year totalled US\$51.3 million (1999: US\$29.9 million). During the year US\$4.4 million (1999: US\$1.8 million) was capitalised in respect of interest costs incurred during the development of the Geita mine. The increased interest charges were due to increased debt levels and higher borrowing costs.

IN CASH FLOW TERMS, TOTAL COSTS FELL FROM US\$306 PER OUNCE IN 1999 TO US\$252 PER OUNCE IN 2000.

Taxation

Total taxation charged to the profit and loss account amounted to US\$8.8 million. This includes tax relating to previous years amounting to US\$4.5 million and a provision for taxes arising from the disposal of 50% interest in Geita of US\$3.0 million.

Earnings

Earnings before exceptional items were US\$30.5 million (1999: US\$66.1 million). The reduction in earnings was due to lower realised gold prices and higher interest charges, off set by increased production and reduced cash operating costs. Earnings per share before exceptional items were US\$0.27 per share (1999: US\$0.59 per share). After exceptional items the Group made a loss of US\$141.1 million (1999: loss of US\$183.9 million).

Dividend

The Group is continuing to strengthen its financial position. The banking covenants presently prohibit the payment of cash dividends until gross borrowings fall below US\$300 million. In the light of these factors, and the deficit on reserves, no dividend is proposed for 2000.

Cash Flow

The net cash inflow from operating activities was US\$149.4 million (1999: US\$120.3 million). Net interest paid was US\$56.4 million (1999: US\$28.8 million) and US\$145.6 million was invested in completing the Geita mine and developing the Group's other mines.

In June 2000, the Group acquired the Teberebie mine in Ghana for a purchase consideration of US\$18.8 million plus assumption of US\$8.2 million of debt. US\$5.0 million was paid on completion and the balance of US\$13.8 million is payable over the next five years. In August 2000 the Group sold certain assets (which formed part of the Teberebie acquisition) for US\$5.0 million.

The sale of a 50% interest in the Geita mine was completed on 15 December 2000. The proceeds from the sale totalled US\$335.0 million (being consideration of US\$205.0 million and net project financing proceeds of US\$130.0 million) and were applied to reduce debt, after meeting disposal costs. An additional consideration of US\$2.8 million was received from AngloGold in accordance with the terms of the sale agreement in respect of certain items of capital expenditure and interest.

Capital Expenditure

Capital expenditure decreased to US\$145.6 million (1999: US\$189.0 million) as a result of reduced spend across the Group, particularly at Obuasi where the capital expenditure fell from US\$59.2 million in 1999 to US\$32.6 million. The expenditure in 2000 included costs incurred in respect of the development of the Geita mine totalling US\$85.7 million.

Financing

Following the liquidity crisis in late 1999, the Board of Ashanti reviewed several solutions and held discussions with its major stakeholders. The solution, which the Group felt would be acceptable to all stakeholders, was to secure a new US\$100 million debt facility to enable the completion of Geita and to secure the sale of a 50% joint venture interest in the Geita mine in order to reduce debt levels. Accordingly, in February 2000, Ashanti signed an agreement for a US\$100 million facility. The cash management measures instituted during the year assisted in restricting the utilisation under this facility to US\$75.0 million.

The Group's peak debt level during the year was US\$693.3 million. On 15 December 2000, the Group completed the Geita transaction and applied the proceeds (after meeting costs of disposal) as follows:

- The Bridge Facility of US\$75.0 million was retired in full
- Two tranches of the Revolving Credit Facility amounting to US\$151.0 million were retired in full
- A prepayment of US\$70.0 million was made towards the Revolving Credit Facility. This is redrawable to meet the Group's funding requirements in 2001

On 29 December 2000, a further voluntary repayment of US\$30.0 million was made towards the Revolving Credit Facility which is also redrawable, if required during 2001.

The Group's gross and net debt levels as at 31 December 2000 fell to US\$365.7 million and US\$292.1 million respectively. These exclude the 50% share of the US\$135.0 million non-recourse Geita project finance loan, which has been included in the gross liabilities within the carrying value of the Geita joint venture investment.

Going Concern

The Group currently has US\$100 million of undrawn committed facilities which are available to be drawn by the Group during 2001 subject to the Group complying with the covenants contained in the Revolving Credit Facility. The Group is required under the terms of the Revolving Credit Facility and the margin free trading arrangements it has with its hedging counterparties to submit a refinancing plan to its banks and hedge counterparties by no later than 31 January 2002. If this plan is objected to by the banks or the hedge counterparties, the Group is obliged to deliver a revised refinancing plan. If the latest revised refinancing plan is objected to by the banks by 30 June 2002, or if the Group breaches other covenants contained in either the Revolving Credit Facility or the margin free trading letter, then the bank facilities may be withdrawn and become repayable early and the margin free trading arrangements may also be withdrawn.

With effect from 31 December 2001 all undrawn facilities will be cancelled and the Group will be required to make repayments under its facilities commencing 31 March 2002. The Group will need to meet its repayments which fall due in 2002 from operating cash flow and hedge close outs or otherwise seek replacement facilities. The sufficiency of the cash flows and the availability of these facilities in 2002, will depend to a large extent on the gold price at that time and the Group maintaining its operational efficiencies.

Based on the Group's current cash flow projections and the other options available to the Group there is reasonable expectation that the Group will continue in operational existence for at least the next 12 months. Consequently the Directors have formed the judgement at the time of approving these financial statements that it is appropriate to continue to use the going concern basis in preparing these financial statements.

GROUP'S GROSS DEBT LEVEL FELL BY 47% FROM ITS PEAK OF US\$693.3 MILLION TO US\$365.7 MILLION AT YEAR END.

	12 months to 31 Dec 2000	12 months to 31 Dec 1999
Obuasi		
Underground Mining		
Ore production ('000 tonnes)	2,348	2,348
Ore grade (g/t)	7.87	7.86
Surface Mining		
Ore production ('000 tonnes)	891	3,035
Ore grade (g/t)	4.20	3.03
Waste mined ('000 tonnes)	8,907	21,513
Strip ratio	10.0	7.1
Sulphide Treatment Plant		
Ore processed ('000 tonnes)	2,466	2,322
Head grade (g/t)	6.32	4.97
Recovery (%)	82.1	76.9
Gold produced (ounces)	412,824	285,842
Pompora Treatment Plant		
Ore processed ('000 tonnes)	787	1,611
Head grade (g/t)	8.01	8.31
Recovery (%)	82.4	83.0
Gold produced (ounces)	167,725	357,542
Oxide Treatment Plant		
Ore processed ('000 tonnes)	245	1,343
Head grade (g/t)	2.85	1.77
Recovery (%)	74.2	73.9
Gold produced (ounces)	16,683	56,344
Tailings Treatment Plant		
Ore processed ('000 tonnes)	1,831	1,765
Head grade (g/t)	2.39	2.31
Recovery (%)	31.1	33.1
Gold produced (ounces)	43,756	43,301
Heap Leach		
Ore stacked ('000 tonnes)	–	1
Head grade (g/t)	–	0.55
Gold produced (ounces)	–	82
Obuasi Total Processed		
Ore processed ('000 tonnes)	5,329	7,043
Head grade (g/t)	5.06	4.46
Recovery (%)	73.9	73.5
Gold produced (ounces)	640,988	743,111
Distribution of Obuasi Production (ounces)		
Underground	493,926	490,013
Surface	103,306	209,797
Tailings	43,756	43,301
Total	640,988	743,111
Ayanfuri		
Mining		
Ore production ('000 tonnes)	884	1,293
Ore grade (g/t)	1.50	1.33
Waste mined ('000 tonnes)	2,988	1,606
Strip ratio	3.4	1.2
Heap Leach		
Ore stacked ('000 tonnes)	1,121	1,392
Head grade (g/t)	1.21	1.16
Recovery (%)	83.3	85.3
Gold produced (ounces)	36,316	44,424

	12 months to 31 Dec 2000	12 months to 31 Dec 1999
Iduapriem		
Mining		
Ore production ('000 tonnes)	4,824	5,901
Ore grade (g/t)	1.25	1.15
Waste mined ('000 tonnes)	14,954	13,019
Strip ratio	3.1	2.6
CIL Plant		
Ore processed ('000 tonnes)	2,691	2,929
Head grade (g/t)	1.58	1.46
Recovery (%)	93.4	93.7
Gold produced (ounces)	128,374	128,865
Heap Leach		
Ore stacked ('000 tonnes)	2,264	2,817
Head grade (g/t)	0.78	0.77
Recovery (%)	67.5	53.8
Gold produced (ounces)	38,518	34,835
Total Gold Produced (ounces)	166,892	163,700
Teberobie		
Gold Produced (ounces)	26,976	–
Bibiani		
Mining		
Ore production ('000 tonnes)	2,368	3,014
Ore grade (g/t)	3.38	3.65
Waste mined ('000 tonnes)	15,223	12,240
Strip ratio	6.4	4.1
CIL Plant		
Ore processed ('000 tonnes)	2,761	2,481
Head grade (g/t)	3.70	3.82
Recovery (%)	86.7	85.9
Gold produced (ounces)	273,711	261,899
Siguiri		
Mining		
Ore production ('000 tonnes)	10,804	6,832
Ore grade (g/t)	1.33	1.86
Waste mined ('000 tonnes)	5,333	3,370
Strip ratio	0.5	0.5
Heap Leach		
Ore stacked ('000 tonnes)	8,878	6,341
Head grade (g/t)	1.34	1.73
Recovery (%)	79.3	67.8
Gold produced (ounces)	303,381	239,218
Freda-Rebecca		
Underground Mining		
Ore production ('000 tonnes)	1,042	1,030
Ore grade (g/t)	3.69	3.78
Processing		
Ore processed ('000 tonnes)	1,003	1,141
Head grade (g/t)	3.89	3.32
Recovery (%)	89.8	89.6
Gold produced (ounces)	112,164	109,184
Geita		
Mining		
Ore production ('000 tonnes)	1,240	–
Ore grade (g/t)	3.00	–
Waste mined ('000 tonnes)	11,852	–
Strip ratio	9.6	–
CIL Plant		
Ore processed ('000 tonnes)	2,075	–
Head grade (g/t)	2.94	–
Recovery (%)	92.0	–
Gold produced (ounces)	176,836	–
Group Summary (ounces)		
Managed gold production	1,737,264	1,561,536
Less minority interests	81,584	68,623
Group Attributable Total (ounces)	1,655,680	1,492,913

Measured and Indicated Mineral Resources as at 31 December 2000

Location	Measured		Indicated		Total		Gold (million ounces)
	Tonnes (million)	Grade (g/t)	Tonnes (million)	Grade (g/t)	Tonnes (million)	Grade (g/t)	
Obuasi							
Underground	21.6	10.9	34.4	9.5	56.0	10.0	18.1
Surface	15.4	3.0	–	–	15.4	3.0	1.5
Tailings	4.0	2.5	1.3	2.9	5.3	2.6	0.4
Sub Total	41.0	7.1	35.7	9.3	76.7	8.1	20.0
Other Locations							
Ayanfuri	1.5	1.9	–	–	1.5	1.9	0.1
Iduapriem (80%)	44.5	1.8	50.3	1.6	94.8	1.7	5.1
Bibiani surface	1.2	1.8	8.3	3.1	9.5	2.9	0.9
Bibiani tailings	4.4	1.1	0.4	0.9	4.8	1.0	0.2
Siguiri (85%)	31.4	1.1	56.2	1.2	87.6	1.2	3.3
Freda-Rebecca	13.1	2.6	2.8	2.7	15.9	2.6	1.3
Geita (50%)	47.2	3.6	42.9	4.5	90.1	4.0	11.7
Youga (45%)	–	–	7.4	3.0	7.4	3.0	0.7
Sub Total	143.3	2.3	168.3	2.4	311.6	2.3	23.3
Total	184.3	3.4	204.0	3.6	388.3	3.5	43.3
1999 Total	193.3	3.2	97.9	5.4	291.2	3.9	37.1

Proved and Probable Ore Reserves as at 31 December 2000

Location	Proved		Probable		Total		Gold (million ounces)
	Tonnes (million)	Grade (g/t)	Tonnes (million)	Grade (g/t)	Tonnes (million)	Grade (g/t)	
Obuasi							
Underground	5.1	7.6	36.7	7.9	41.8	7.9	10.7
Surface	–	–	–	–	–	–	–
Tailings	4.0	2.5	1.3	2.9	5.3	2.6	0.4
Sub Total	9.1	5.4	38.0	7.7	47.1	7.3	11.1
Other Locations							
Ayanfuri	–	–	–	–	–	–	–
Iduapriem (80%)	24.9	1.8	15.1	1.4	40.0	1.7	2.2
Bibiani surface	1.2	1.8	7.9	3.2	9.1	3.0	0.9
Bibiani tailings	4.4	1.1	0.4	0.9	4.8	1.0	0.1
Siguiri (85%)	22.5	1.1	37.9	1.3	60.4	1.2	2.3
Freda-Rebecca	4.1	2.4	1.7	2.4	5.8	2.4	0.4
Geita (50%)	41.3	3.5	22.3	4.5	63.6	3.8	7.8
Youga (45%)	–	–	5.0	3.2	5.0	3.2	0.5
Sub Total	98.4	2.3	90.3	2.4	188.7	2.3	14.2
Total	107.5	2.6	128.3	4.0	235.8	3.3	25.3
1999 Total	115.7	2.5	80.1	5.2	195.8	3.6	22.6

- This ore reserve and mineral resource statement is classified according to the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves issued by the Joint Committee for the Australasian Institute of Geoscientists and the Australian Mining Industry Council (JORC).
- All Identified Mineral Resources are reported as *in situ* or contained resources utilising JORC guidelines and are inclusive of the stated Ore Reserve.
- The Proved and Probable Ore Reserves contained within the Identified Mineral Resource has been estimated using guidelines of the JORC code and are reported as recoverable ore reserves to which appropriate factors have been applied to allow for mining loss and dilution.
- For economic studies and the determination of cut-off grades, a gold price of US\$300 per ounce was assumed.
- The Ore Reserve and Identified Mineral Resource reported represents 100 per cent of the Ore Reserve and Mineral Resource at the respective properties and no allowance has been made for minority interests or joint venture interests. Ashanti's percentage interest is shown in brackets for properties where Ashanti has less than 100 per cent ownership.
- The competent persons who have overseen the estimation of the Ore Reserve and Identified Mineral Resource are listed as follows:

Mine	Resources	Reserves
Obuasi	J Amanor	J Chamberland
Ayanfuri	J Amanor	J Chamberland
Iduapriem	D Bansah/K Osei	S Ndede
Bibiani	C P de Vente	J Seaward
Siguiri	A Pardey	A Pardey
Freda-Rebecca	J Chinyaukira	V Utete
Geita	D Bansah/H Stuart	D Holly
Youga	D Bansah	M Hill
- Inferred mineral resources are not reported in the statement.
- At a gold price of US\$275 per ounce, it is estimated that ore reserves will decrease by 5% for the Group.

Reconciliation as at 31 December 2000 (million ounces)

Location	Measured and Indicated Mineral Resources			Proved and Probable Ore Reserve		
	Opening	Net (Depletion)/ Additions	Closing	Opening	Net (Depletion)/ Additions	Closing
Obuasi	21.2	(1.2)	20.0	11.7	(0.6)	11.1
Ayanfuri	0.1	–	0.1	0.1	(0.1)	–
Iduapriem (80%)	1.3	3.8	5.1	0.3	1.9	2.2
Bibiani	1.3	(0.2)	1.1	1.2	(0.2)	1.0
Siguiri (85%)	3.1	0.2	3.3	2.7	(0.4)	2.3
Freda-Rebecca	1.5	(0.2)	1.3	0.6	(0.2)	0.4
Geita (50%)	7.9	3.8	11.7	5.5	2.3	7.8
Youga (45%)	0.7	–	0.7	0.5	–	0.5
Total	37.1	6.2	43.3	22.6	2.7	25.3

adit A tunnel driven horizontally into a mountainside providing access to an ore deposit.

BIOX® Gencor's registered name for its bio-oxidation leaching process.

bio-oxidation The use of bacterial activity to oxidise sulphide minerals.

carbon-in-leach (CIL) process A modification of CIP whereby carbon is added directly into the slurry during leaching as opposed to CIP where carbon is added after leaching is complete.

carbon-in-pulp (CIP) process A process used to recover dissolved gold from a cyanide leach slurry. Coarse activated carbon particles are moved counter-current to the slurry, absorbing the gold as it passes through the circuit. Loaded carbon is removed from the slurry by screening. The gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis or by zinc precipitation.

cash operating cost A measure of the average cost of producing an ounce of gold, calculated by dividing the total working costs in a period by the total gold production over the same period. Working costs represent total operating costs less royalties and depreciation.

contained ounces Represents ounces in the ground without reduction due to mining loss or dilution.

cyanide leaching The extraction of a precious metal from an ore by its dissolution in a cyanide solution.

decline An inclined underground access way.

diamond drilling or core drilling A drilling method, where the rock is cut with a diamond bit, usually to extract cores.

dilution Waste which is commingled with ore in the mining process.

feasibility study A detailed technical and economic analysis of the viability of a project covering all aspects from geology, environmental and legal matters to mining, processing and operations.

flotation A recovery process by which valuable minerals are separated from waste to produce a concentrate. Selected minerals are induced to become attached to air bubbles and to float.

forward sales The sale of a commodity for delivery at a specified future date and price, usually at a premium to the spot price.

geochemical sampling Samples of soils, stream sediments or rock chips taken to ensure the quantities of trace and minor elements.

grade The relative quality or percentage of ore metal content.

heap leaching A low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

indicated mineral resource That part of a Mineral Resource which has been explored, sampled and tested through appropriate techniques at locations which are too widely or inappropriately spaced to confirm geological and/or grade continuity but which are spaced closely enough for continuity to be assumed, and from which data have been collected to allow tonnage, densities, shape, physical characteristics, grade and mineral content to be estimated with a reasonable level of confidence.

inferred mineral resource That part of a Mineral Resource inferred from geological evidence and assumed but not verified geological and/or grade continuity, where information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes is limited or of uncertain quality and reliability and on the basis of which tonnage, grade and mineral content can be estimated with a low level of confidence.

measured mineral resource That part of a Mineral Resource which has been explored, sampled and tested through appropriate techniques at locations such as outcrops, trenches, pits, workings and drill holes which are spaced closely enough to confirm geological and/or grade continuity, and from which detailed reliable data have been collected to allow tonnage, densities, shape, physical characteristics, grade and mineral content to be estimated with a high level of confidence.

milling/mill The comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

mineralised zone Any mass of host rock in which minerals, at least one of which has commercial value occur.

mtpa Million tonnes per annum.

ore Material that contains one or more minerals, at least one of which has commercial value and which can be recovered at a profit.

open pit/open cut Surface mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.

orebody A continuous well defined mass of material of sufficient ore content to make extraction economically feasible.

oxide That portion of a mineral deposit within which sulphide minerals have been oxidised, usually by surface weathering processes.

pre-stripping Removal of overburden in advance of beginning operations to remove ore in an open pit operation.

probable ore reserve That mineable part of a Measured and/or Indicated Mineral Resource, inclusive of diluting materials and allowing for losses which may occur when the material is mined, on which appropriate assessments have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors, to demonstrate at the time of reporting that extraction could reasonably be justified.

prospect A mineral deposit with insufficient data available on the mineralisation to determine if it is economically recoverable, but warranting further investigation.

prospecting licence An area for which permission to explore has been granted.

proved ore reserve That mineable part of a Measured Mineral Resource, inclusive of diluting materials and allowing for losses which may occur when the material is mined, on which appropriate assessments have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors, to demonstrate at the time of reporting that extraction could reasonably be justified.

reclamation The process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use.

recoverable ounces Represents ounces in the ground factored for mining loss and dilution.

recovery A term used to indicate the proportion of valuable material obtained during the mining or processing of an ore. The recovery is generally expressed as a percentage of the material recovered compared to the total material present.

reverse circulation drilling A drilling method employing double walled drill rods. The drilling fluid (usually air or water) is pushed down the annulus between the rods. The cuttings are blown up the middle.

spot price The current price of a metal for immediate delivery.

stope The underground excavation from which ore is extracted.

strike length Horizontal distance along the direction that a structural surface takes as it intersects the horizontal.

stripping The process of removing overburden to expose ore.

strip ratio The ratio of overburden and segregable waste to ore in an open pit operation.

sulphide A mineral characterised by the linkages of sulphur with a metal or semi-metal, iron sulphide. Also a zone in which sulphide minerals occur.

tailings The waste material from ore after the economically recoverable metals or minerals have been extracted. Changes in the metal prices and improvements in technology can sometimes make the tailings economic to reprocess at a later date.

trenching Making elongated open-air excavations for the purposes of mapping and sampling.

waste Rock lacking sufficient grade and/or other characteristics of ore to be economic.

Metric Conversion

1 tonne	= 1 t	= 1.10231 tons
1 gramme	= 1 g	= 0.03215 ounces
1 gramme per tonne	= 1 g/t	= 0.02917 ounces per ton
1 hectare	= 1 ha	= 2.47105 acres
1 kilometre	= 1 km	= 0.621371 miles
1 metre	= 1 m	= 3.28084 feet

All tons are short tons of 2,000 pounds.

All ounces are troy ounces: 29.166 troy ounces equal one ton.

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Michael Ernest Beckett* (1,2)

Chairman of the Board and Chairman of Audit and Finance Committee.

Age 64. British. Appointed a director in March 1994. Chairman of Horace Clarkson Plc and Watts Blake Bearne Limited. Director of other public companies.

Sam Esson Jonah (3)

Chief Executive and Group Managing Director

Age 51. Ghanaian. Appointed in May 1982. Director of Lonmin Plc, Commonwealth Africa Investment Fund Limited and Ecobank Transnational Incorporated. Member of the International Investment Advisory Council of the President of South Africa.

Alex Ashiabor* (1,2)

Age 67. Ghanaian. Appointed in February 2000. Executive Chairman of Metropolitan & Allied Bank (Ghana) Limited and a member of the Board of Trustees of the Institute of Statistical, Social and Economic Research (University of Ghana). Former Governor of the Bank of Ghana.

Merene Botsio-Phillips†

General Counsel

Age 43. Ghanaian. Appointed in October 1996. Director of The Air Transport Licensing Authority of Ghana. Formerly a director and Company Secretary of Ghana Airways Limited.

The Rt. Hon. The Baroness Chalker of Wallasey PC* (4)

Chairman of the Corporate Governance Committee (CGC).

Age 59. British. She was appointed to the Board in March 2000. Advisory Director of Unilever Plc. & NV. Non-Executive Director and President of Southern Africa Business Association, Intermediate Technology and Transparency International UK, President and Chairman of the Boards of Management of the British Executive Service Overseas and the London School of Hygiene and Tropical Medicine.

Dr David Ronald Creed* (3,4)

Chairman of the Risk Management Committee (RMC).

Age 58. British. The Director General of the Association of Corporate Treasurers which governs the education of treasurers in the United Kingdom, Director of Foreign & Colonial Emerging Markets Investment Trust Plc, The Housing Finance Corporation Limited, and Newham College of Further Education where he is Deputy Chairman. He joined the Board in April 2000.

Dr Chester Arthur Crocker* (1,2,4)

Chairman of the Management Development and Remuneration Committee (MDRC)

Age 60. American. Appointed in February 2000. Professor of Strategic Studies at Georgetown University's School of Foreign Service. Chairman of the Board of United States Institute of Peace and an advisor on strategy and negotiations to a number of US and European Companies. Former US Assistant Secretary of State for African Affairs.

Dr Kwabena Duffuor* (1,2,3)

Age 58. Ghanaian. Appointed to the Board in February 2000. Governor of the Bank of Ghana and a director of the Ghana Cocoa Board and the Ghana Cocoa Marketing Company Limited. Chairman of the Board of Ghana International Bank in the UK.

Thomas Richard Gibian* (1,2)

Age 47. American. Mr Gibian is a non-Executive Director and Managing Director of Emerging Markets Partnership and Chief Operating Officer of African Infrastructure Fund. He is also a director of InterWAVE Communications. He was appointed to the Board in March 2000.

Dr Michael Peter Martineau* (2,3,4)

Age 56. British. Appointed in February 2000. Deputy Chairman, Eurasia Mining. President of Axmin Limited and Carpathian

Gold Limited. Former Executive director of several mining and exploration companies including Cluff Resources Plc and SAMAX Gold Inc.

Nicholas Jeremy Morrell* (2)

Age 53. British. Appointed to the Board in February 1997. Former Director and Chief Executive of Lonmin Plc.

Eleanor Darkwa Ofori Atta

Executive Director, Corporate Relations

Age 57. Ghanaian. Appointed in March 1994. She is responsible for corporate services including human resources.

John Neil Robinson* (1,3)

Age 46. British. Finance Director of Lonmin Plc. Appointed on 18 December 2000. He is also a director of Lonmin Finance Plc whose guaranteed convertible bonds were listed on the London Stock Exchange until their full conversion in July 2000.

Trevor Stanley Schultz (3)

Chief Operating Officer

Age 58. American/Australian. Appointed in October 1996. Formerly Vice President of BHP Minerals International responsible for Resources Development.

Srinivasan Venkatakrishnan (3)

Chief Financial Officer

Age 35. Indian. He joined the Board in July 2000 from Deloitte & Touche where he was a Director in the Reorganisation Services Division.

* Non-executive

† Substitute director to Eleanor Ofori Atta

- (1) Audit and Finance Committee Member
- (2) Management Development and Remuneration Committee Member
- (3) Risk Management Committee Member
- (4) Corporate Governance Committee Member

Board Committees

Audit and Finance Committee

The Audit and Finance Committee reviews and reports to the Board on the compliance, integrity and major judgemental aspects of the Group's published financial statements, the scope and quality of the internal and external audit and the adequacy of the Group's internal controls.

The Audit and Finance Committee examines and approves all investment projects and financial transactions within the authority delegated by the Board and monitors operational profitability and asset utilisation.

Management Development and Remuneration Committee

The Management Development and Remuneration Committee is responsible for the appointment of directors, and determination of the level and structure of executive directors' remuneration, and the review of their performance and service agreements. It then makes recommendations to the Board on these matters in accordance with its terms of reference and reviews and approves succession programmes with respect to top management.

Risk Management Committee

The Risk Management Committee reviews and monitors execution of risk management policies of the Group with particular focus on financial risks, including hedging, and where necessary make recommendations to the Board.

Corporate Governance Committee

The Corporate Governance Committee is responsible for the monitoring of the general conduct of directors in line with best practice and screens individuals proposed for appointment to the Board. It is also responsible for the non-financial aspects of the Group's safety, health and environmental issues and makes recommendations, as appropriate, to the Board.

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal Activities

The principal activities of the Group are the exploration, development and mining of gold. The progress of the business during the year and likely future developments are reported in the Chairman's Statement, the Chief Executive's Review and the Operations Review.

Results and Dividend

The results for the year are set out on page 30. The directors do not recommend paying a dividend for the year ended 31 December 2000.

Employment Policies

The Group respects and values its employees as individuals and places emphasis on policies which benefit both the Group and its employees. The Group is committed to providing equal advancement opportunities, safe, clean working conditions and remuneration in the upper range of the industry. It recognises the merit of all employees, yet it endeavours to attract and retain the best people by rewarding superior performance and giving them opportunities to expand their skills, develop their potential and apply their creativity.

Directors

Details of the directors of the Company are given on page 26. Messrs M E Beckett and N J Morrell and all the executive directors, except Messrs M B Keatley and S Venkatakrishnan, served throughout the year.

As part of the Board restructuring early in the year Mr A Ashiabor, Dr C A Crocker, Dr K Duffuor and Dr M P Martineau were appointed on 22 February 2000. The Rt. Hon. The Baroness Chalker of Wallasey PC and Mr T R Gibian were also appointed on 24 March 2000, while Dr D Creed was appointed on 7 April. Mr S Venkatakrishnan was appointed to the Board on 1 July 2000 as Chief Financial Officer to replace Mr M B Keatley, and on 18 December, Mr J N Robinson was appointed to the Board as a representative of Lonmin Plc. Mr N J Morrell, former Chief Executive of Lonmin Plc, was invited by the Board to continue as a director of Ashanti upon his retirement from Lonmin Plc. Mr Robinson will retire and offer himself for election at the Annual General Meeting.

Mr R K Peprah, former chairman of the Board retired on 11 February 2000 and Messrs M B Keatley, F Ohene-Kena, P M Tarsh and Sir William Ryrie retired at the conclusion of the Company's Annual General Meeting held on 30 May 2000.

The directors retiring by rotation at the Annual General Meeting are Mr M E Beckett, Mrs E D Ofori Atta, Mr T S Schultz and Mrs M Botsio-Phillips who is a substitute for Mrs Ofori Atta. Each of them is seeking re-election.

Directors' Interests

The interests of the directors holding office at the end of the year in the ordinary shares of the Company are shown in note 24 to the financial statements.

None of the directors had any interests in the shares of any of the Company's subsidiaries at any time during the year. None of the directors had a material interest in any contract of significance with the Group during the year other than Mr S E Jonah, who had an interest in a Technical Services Agreement dated 14 March 1994 between the Company and Lonmin Plc. Under this agreement, Lonmin Plc has agreed to provide to Ashanti technical services and the services of Mr S E Jonah. As remuneration for such services, the Company paid Lonmin Plc a total of US\$1.8 million during the year.

Share Capital

Details of the stated capital position for the year, including treasury shares are shown in note 23 to the financial statements.

As has been our annual practice, the directors are seeking renewal at the Annual General Meeting of the authority to allot shares for cash with a disapplication of pre-emption rights. Similarly, authority for the Company to purchase its own shares, as and if appropriate, is being sought.

Donations

Charitable donations for the year amounted to US\$0.2 million. No donations were made for political purposes.

Substantial Shareholders

Details of the Company's 20 largest shareholders are shown on page 57.

Auditors

Deloitte & Touche have agreed to continue as the Company's auditors. A resolution to authorise the directors to determine their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

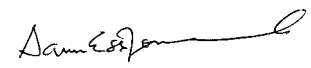
The Annual General Meeting of the Company will be held at the Len Clay Stadium, Obuasi, Ghana on Wednesday 25 April 2001 at 11.00 a.m. Full details are given in the Notice of Meeting on page 60.

By order of the Board



M E Beckett
Chairman

12 March 2001



S E Jonah
Chief Executive and
Group Managing Director

12 March 2001

Statement of Compliance with the Provisions of the Combined Code

All companies listed on the London Stock Exchange, other than overseas companies such as the Company, are required to report on their compliance with the Combined Code on Corporate Governance, which forms part of the Listing Rules of the Financial Services Authority. Notwithstanding this dispensation, the Board reports that the Company, in applying the principles of good governance, has complied throughout the year with the provisions of Section 1 of the Combined Code, except for paragraphs A.2.1, A.3.2, A.6.2, B.1.7, B.3.1 and B.3.5, where the requirements differ from general practice in Ghana.

Statement of Appliance of the Principles of the Combined Code

The Board of directors, which currently comprises five executive and ten non-executive directors, meets formally at least five times a year. The Board met more than 20 times during the year. Most of these meetings addressed the residual financial issues of 1999 and related matters. Its primary role is to determine the Group's long-term direction and strategy and to monitor the management of the business to ensure that agreed performance targets are achieved.

The strong representation of non-executive directors on the Board, who are drawn from a wide variety of independent backgrounds, brings a broad diversity of experience to the business.

There is a clear separation between the roles of the Chairman and the Chief Executive. The Chairman is responsible for the effectiveness of the Board, the balance of membership and for ensuring that all directors' views are heard. The Chief Executive is responsible for the day-to-day operation of the business and for developing future strategies. In this, he is assisted by his fellow executive directors and the other senior managers who, together, form the Chief Executive's Committee as detailed on page 59.

Four committees of the Board assist in the governing of the Company. Biographical details of the Board of directors and a brief description of the roles and functions of the principal Board committees are given on page 26.

Regular meetings are held with institutional shareholders, fund managers and brokers' analysts, which also include visits to the Company's operations, with a view to ensuring that the plans and objectives of the Company are fully understood.

Shareholders' interests and the Group's assets are safeguarded by a system of internal control overseen by the Audit Committee.

Internal Control

Following the need for planning and the necessary determination of what was required by the Board, an ongoing process for identifying, evaluating and managing the significant risks faced by the Group was established progressively through the latter part of the year and was fully in place during the period from 31 December 2000 to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board and accords with the Turnbull guidance on internal control.

Information on the Group's significant risks, together with the relevant control and monitoring procedures, is reviewed for completeness and accuracy by the Group's management committees. The information is presented to the Board for directors to assess the effectiveness of the system on internal control. In addition, the committees of the Board monitor the Group's significant risks on an ongoing basis.

Assurance functions including internal auditors, health and safety auditors and environmental auditors, perform reviews of control activities and provide regular written and oral reports to the Board and Risk and Governance committees. The managing directors of business units complete an internal control report which seeks to confirm that internal controls are operating effectively at an operational level. The results of this process are reviewed by the Group Risk Management Committee and are then presented to the Board as a further part of the Group's internal controls. The whole risk management process, including the progress on embedding, is reviewed and strengthened as appropriate in order to assist the need for continuous improvement. The Group's significant joint venture, Geita, was excluded from the risk management process at 31 December 2000 given the sale of 50 per cent interest to AngloGold during the year. Part of the programme for continuous improvement involves establishing a consistent risk management process in conjunction with the joint venture partner at Geita during 2001.

The Board is responsible for the effectiveness of the Group's system of internal control and for the review of its effectiveness. Such a system is designed to manage rather than to eliminate the risk of failure to achieve the Group's objectives and can only provide reasonable but not absolute assurance against misstatement or loss.

Organisational Structure

The Group operates through a clearly defined organisational structure. The Board of directors, which meets regularly, is responsible for overall strategy, while the Chief Executive and Group Managing Director, assisted by the Chief Executive's Committee, has day to day operational responsibility. The Audit and Finance Committee is responsible for monitoring operational profitability and asset utilisation and reports their recommendations to the Board.

Financial Reporting

Budgets are prepared annually for financial performance, operating costs and capital expenditure. Financial information is produced monthly and monitored against budgets. Variances are considered by the relevant management and appropriate action taken. Financial information is reviewed in relation to comprehensive information regarding production information, primarily quantities and grades. Unaudited accounts are published every quarter together with a report on production performance.

Approval Procedures

Systems are in place to ensure that transactions in respect of major areas of risk are subject to approval procedures, including the need for the Board's approval of any significant capital expenditure and for the Risk Management Committee's approval of the hedging framework.

Controls over Hedging Transactions

The hedging programme is carried out within the risk management policy approved by the Board. Controls include the authorisation procedure referred to above, the prohibition of speculative transactions, the separation of dealing and settlement functions, regular reconciliations of positions by the two functions and regular monitoring and reporting of market positions.

Monitoring of Controls

An internal audit function monitors the control procedures of the Group. The Audit Committee, comprising certain non-executive directors, monitors the adequacy of the Group's systems of internal financial control.

Directors' Responsibilities

The Ghana Companies Code, 1963 (Act 179) ("the Companies Code") requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Code. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of the auditors' responsibilities set out below.

Auditors' Report

to the shareholders of Ashanti Goldfields Company Limited

We have audited the financial statements on pages 30 to 51 which have been prepared under the accounting policies set out on pages 34 and 35.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described above preparation of the financial statements which are required to be prepared in accordance with applicable Ghanaian law. The financial statements are prepared in accordance with United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the United Kingdom Auditing Practices Board, the UK Listing Authority and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Ghana Companies Code, 1963 (Act 179). We also report to you as to whether in our opinion the financial statements are in agreement with the books, whether the books have been properly kept, whether we obtained the information and explanations we required and if, in our opinion, the directors' report is not consistent with the financial statements.

We review whether the corporate governance statement on page 28 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the UK Listing Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures. We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom Auditing Practices Board. An audit includes examination, on a test basis, of

evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Uncertainty relating to banking arrangements

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to the Group meeting its commitments under the terms of its banking arrangements. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

The financial statements are in agreement with the books, which in our opinion have been properly kept. We obtained the information and explanations we required. In our opinion the financial statements give a true and fair view of the statement of affairs of the Company and the Group as at 31 December 2000 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Code, 1963 (Act 179) and United Kingdom Accounting Standards.

Deloitte & Touche
Accra, Ghana
12 March 2001

Group Profit and Loss Account

For the year ended 31 December

		2000			1999		
	Note	Before exceptional items US\$m	Exceptional items US\$m	After exceptional items US\$m	Before exceptional items US\$m	Exceptional items US\$m	After exceptional items US\$m
Turnover	2	582.2	–	582.2	582.1	–	582.1
Operating costs	3, 4	(364.6)	(21.7)	(386.3)	(358.7)	(49.1)	(407.8)
Royalties		(13.7)	–	(13.7)	(12.2)	–	(12.2)
Depreciation and amortisation	4	(114.8)	(193.5)	(308.3)	(114.9)	(30.0)	(144.9)
Total costs		(493.1)	(215.2)	(708.3)	(485.8)	(79.1)	(564.9)
Operating profit/(loss)	5	89.1	(215.2)	(126.1)	96.3	(79.1)	17.2
Exceptional provision for loss on disposal of fixed assets	6	–	–	–	–	(171.1)	(171.1)
Profit on sale of businesses	7	–	46.6	46.6	–	0.2	0.2
Profit/(loss) on ordinary activities before interest		89.1	(168.6)	(79.5)	96.3	(250.0)	(153.7)
Net interest payable	9	(51.3)	–	(51.3)	(29.9)	–	(29.9)
Profit/(loss) on ordinary activities before taxation		37.8	(168.6)	(130.8)	66.4	(250.0)	(183.6)
Taxation	10	(5.8)	(3.0)	(8.8)	(2.7)	–	(2.7)
Profit/(loss) on ordinary activities after taxation		32.0	(171.6)	(139.6)	63.7	(250.0)	(186.3)
Equity minority interests		(1.5)	–	(1.5)	2.4	–	2.4
Profit/(loss) attributable to shareholders		30.5	(171.6)	(141.1)	66.1	(250.0)	(183.9)
Dividend	11	–	–	–	–	–	–
Retained profit/(loss) for the year	25	30.5	(171.6)	(141.1)	66.1	(250.0)	(183.9)
Earnings per share (US\$)	12	0.27	(1.52)	(1.25)	0.59	(2.23)	(1.64)
Diluted earnings per share (US\$)	12	0.27	(2.06)	(1.79)	0.54	(2.30)	(1.76)

Balance Sheets

As at 31 December

	Note	2000 US\$m	Group 1999 US\$m	2000 US\$m	Company 1999 US\$m
Fixed assets					
Intangible assets	13	21.5	131.5	–	–
Tangible assets	14	645.8	1,008.0	460.0	623.5
Investments – Subsidiaries	15	–	–	191.4	520.4
– Geita joint venture	15	69.3	–	85.6	–
– Share of gross assets and goodwill		174.9	–	–	–
– Share of gross liabilities		(105.6)	–	–	–
– Loans to joint venture and other investments	15	32.6	–	1.5	–
		769.2	1,139.5	738.5	1,143.9
Current assets					
Stocks	16	77.8	76.4	36.9	39.5
Debtors	17	15.6	31.8	151.2	220.6
Cash	18	73.6	89.7	19.2	22.8
		167.0	197.9	207.3	282.9
Creditors: amounts falling due within one year					
Creditors	19	(169.0)	(181.6)	(55.4)	(57.0)
Borrowings	20	(7.2)	(159.4)	(4.3)	(7.2)
		(176.2)	(341.0)	(59.7)	(64.2)
Net current(liabilities)/assets		(9.2)	(143.1)	147.6	218.7
Total assets less current liabilities		760.0	996.4	886.1	1,362.6
Creditors: amounts falling due over one year					
Creditors	19	(98.2)	(155.4)	(714.7)	(860.1)
Borrowings	20	(358.5)	(423.2)	(6.8)	(9.3)
Provisions for liabilities and charges	22	(24.5)	(25.5)	(5.8)	(5.2)
		278.8	392.3	158.8	488.0
Capital and reserves					
Stated capital	23	544.3	544.3	544.3	544.3
Reserves	25	(269.6)	(153.1)	(385.5)	(56.3)
Equity shareholders' funds		274.7	391.2	158.8	488.0
Equity minority interests		4.1	1.1	–	–
		278.8	392.3	158.8	488.0

The financial statements were approved by the Board of directors on 12 March 2001 and signed on its behalf by:



S E Jonah
Director



S Venkatakrishnan
Director

Group Cash Flow Statement

For the year ended 31 December

	Note	2000 US\$m	1999 US\$m
Cash inflow from operating activities	27	149.4	120.3
Returns on investments and servicing of finance			
Interest received		4.7	4.5
Interest paid		(61.1)	(33.3)
Net cash outflow from returns on investments and servicing of finance		(56.4)	(28.8)
Taxation			
Corporate tax paid		(5.8)	(3.4)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(145.6)	(189.0)
Sale of tangible fixed assets		0.9	–
Purchase of investments		(1.5)	–
Net cash outflow from capital expenditure and financial investment		(146.2)	(189.0)
Acquisitions	26	(0.5)	–
Disposals	26	230.8	7.4
Equity dividends paid		–	(7.5)
Cash inflow/(outflow) before use of liquid resources and financing		171.3	(101.0)
Management of liquid resources		13.3	11.3
Cash inflow/(outflow) before financing		184.6	(89.7)
Financing	28	(186.3)	74.5
Decrease in cash		(1.7)	(15.2)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash		(1.7)	(15.2)
Decrease in liquid resources		(13.3)	(11.3)
		(15.0)	(26.5)
Cash outflow/(inflow) from financing		186.3	(74.5)
Other		29.5	(14.5)
Movement in net debt		200.8	(115.5)
Net debt at 1 January		(492.9)	(377.4)
Net debt at 31 December	29	(292.1)	(492.9)

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 December

33

	2000 US\$m	1999 US\$m
Loss for the year	(141.1)	(183.9)
Dividend	–	–
	(141.1)	(183.9)
New share capital issued	–	25.7
Goodwill written back on disposal	24.6	–
	(116.5)	(158.2)
Opening shareholders' funds	391.2	549.4
Closing shareholders' funds	274.7	391.2

There are no recognised gains or losses other than as disclosed in the Group Profit and Loss Account.

1 Accounting policies

The principal accounting policies adopted by the Group and used in the preparation of these financial statements are set out below. The accounting policies used in preparing the financial statements are consistent with those used by the Group in its financial statements for the period ended 31 December 1999.

Going concern

The Group currently has US\$100 million of undrawn committed facilities which are available to be drawn by the Group during 2001 subject to the Group complying with the covenants contained in the Revolving Credit Facility. The Group is required under the terms of the Revolving Credit Facility and the margin free trading arrangements it has with its hedging counterparties to submit a refinancing plan to its banks and hedge counterparties by no later than 31 January 2002. If this plan is objected to by the banks or the hedge counterparties, the Group is obliged to deliver a revised refinancing plan. If the latest revised refinancing plan is objected to by the banks by 30 June 2002, or if the Group breaches other covenants contained in either the Revolving Credit Facility or the margin free trading letter, then the bank facilities may be withdrawn and become repayable early and the margin free trading arrangements may also be withdrawn.

With effect from 31 December 2001 all undrawn facilities will be cancelled and the Group will be required to make repayments under its facilities commencing 31 March 2002. The Group will need to meet its repayments which fall due in 2002 from operating cash flow and hedge close outs or otherwise seek replacement facilities. The sufficiency of the cash flows and the availability of these facilities in 2002, will depend to a large extent on the gold price at that time and the Group maintaining its operational efficiencies.

Based on the Group's current cash flow projections and the other options available to the Group there is reasonable expectation that the Group will continue in operational existence for at least the next 12 months. Consequently the Directors have formed the judgement at the time of approving these financial statements that it is appropriate to continue to use the going concern basis in preparing these financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Because the Group earns all its revenue in US dollars and the majority of its transactions are in US dollars, or based on them, the Group's functional and reporting currency is US dollars.

Basis of consolidation

The Group financial statements comprise a consolidation of the results, assets and liabilities of the Company and its subsidiary undertakings. The results and cash flows of subsidiaries acquired or disposed of in the year are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition or up to the date of disposal.

Investments in associated undertakings are accounted for under the equity accounting method. An associated undertaking is one in which the Group's interest is considered to be long term and is substantial and over which the Group exercises a significant influence.

Businesses that were acquired with the sole intention of a subsequent resale are included as a current asset valued at net realisable value. The trading results of these businesses are not consolidated in the Group profit and loss account.

Goodwill

Goodwill, arising from the purchase of subsidiary undertakings and interests in associates and joint ventures represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired. Goodwill in accordance with FRS 10 is capitalised and amortised over the life of the underlying mine assets. Prior to 1 January 1998, goodwill was charged to reserves in the year of acquisition.

On the subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after charging or crediting the amount of any goodwill previously charged to reserves or capitalised and not yet charged to the profit and loss account.

Joint ventures

A joint venture is an entity in which the Group holds a long-term interest and which is jointly controlled by the Group and one or more ventures under a contractual arrangement. The results of joint ventures are accounted for using the gross equity method of accounting.

Transactions in other currencies

Monetary assets and liabilities denominated in currencies other than the US dollar are translated at the rates of exchange ruling at the year end. Transactions denominated in currencies other than US dollars are translated at the rates ruling at the dates of the transactions. All translation differences are taken to the profit and loss account.

Revenue recognition

Sale of bullion is recognised when doré is produced in the gold room. The proceeds from sales of bullion produced immediately prior to the year end but which have not been received are included as 'gold in transit' within cash balances.

Tangible fixed assets

Tangible assets are recorded at cost less depreciation. Repairs and maintenance expenditures are charged against profits; major improvements and replacements which extend the useful life of an asset are capitalised.

Costs associated with initial or grass roots exploration are charged against profits in the year in which they are incurred. When it has been established that a mineral property has development potential, further exploration costs and the costs of developing the mine, are capitalised. Major development expenditures incurred to expose the ore body, to increase production or extend the life of the mine are capitalised.

1 Accounting policies (continued)

Depreciation is provided, other than on assets in the course of construction, so as to amortise the assets over their estimated useful economic lives of the specific assets concerned or the life of the mine as follows:

- (a) Shafts, development and pre-production costs, plant and equipment and processing plants are depreciated using the unit of production method based on recoverable proved and probable gold reserves at the commencement of the year, or on a straight line basis over their estimated useful lives if shorter.

For assets depreciated on a straight line basis, the estimated useful lives range from three years for software to five years for vehicles and five to 15 years for plant and equipment.

- (b) Buildings are depreciated using the straight line method, based on an estimated useful life of up to 30 years.
(c) Assets in the course of construction are depreciated in accordance with the policies described above from the time that they become operational.

Interest costs related to the period of construction of mines are included in the costs of such assets and are depreciated as part of the total cost.

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of the expected future cash flows of the relevant operation or its disposable value, if higher, in accordance with FRS 11.

Stocks

Stocks are valued at the lower of cost and net realisable value (which includes an appropriate proportion of production overheads).

Interest and finance costs

Interest payable is charged against profits in the year in which it arises.

Front end fees, commitment fees, and other costs associated with the initial loan are brought into account and amortised over the term of the loan.

Finance costs directly related to funding mine development are included as part of the capital cost up to the start of commercial operations.

Financial instruments

In order to protect against the impact of falling bullion prices, the Group enters into hedging transactions which provide a minimum price for future production and allow the Group to take advantage of increases in the gold price.

Gains and losses on all hedging contracts, including premiums receivable and payable on options, are recognised in the profit and loss account as designated production is delivered. In the case of early settlement of hedge contracts, gains or losses are deferred and brought into income at the originally designated delivery date.

Deferred taxation

Provision is made for deferred taxation only to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Environmental and site restoration obligations

Mining operations are generally required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The expected cost of any committed decommissioning or restoration programme, discounted to its net present value is provided and capitalised at the beginning of each project and amortised over the life of the mine concerned.

Stripping costs

Pre-stripping costs are the costs of removing overburden to expose ore. These costs are capitalised prior to the commencement of production and are expensed on a unit of production basis relative to the mine's estimated surface ore reserves.

Stripping costs are the costs associated with the removal of waste materials after ore has been exposed. These costs are deferred and expensed relative to waste materials associated with the ore mined during the period under review.

Investments

In the Company balance sheet, investments in subsidiary undertakings are stated at cost less provision for any permanent diminution in value.

Leased assets

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in borrowings.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

2 Turnover		2000	1999	
		US\$m	US\$m	
Bullion revenue		485.2	438.1	
Gain on hedging transactions		97.0	143.0	
Non-gold mining activities		–	1.0	
		582.2	582.1	
3 Operating costs before exceptional operating items		2000	1999	
	US\$m	Cost/Oz	US\$m	Cost/Oz
Analysis by business group:				
Gold mining – Cash operating cost	325.1	187	319.8	205
– Corporate administration	25.3	15	25.8	17
Sub-total	350.4	202	345.6	222
Exploration	14.2	–	12.4	–
Non-gold mining activities	–	–	0.7	–
Total	364.6	202	358.7	222
Analysis by cost element:				
Salaries	30.4	18	29.1	19
Wages	38.4	22	37.7	24
Materials	166.8	96	162.9	105
Other working costs	114.8	66	115.9	74
Sub-total	350.4	202	345.6	222
Exploration	14.2	–	12.4	–
Non-gold mining activities	–	–	0.7	–
Total	364.6	202	358.7	222
Costs include audit fees of US\$0.4 million (1999: US\$0.4 million)				

4 Exceptional operating costs	2000 US\$m	1999 US\$m
Obuasi		
Redundancy and related costs	7.0	22.0
Obsolete stock provision	–	10.0
Strike related costs	–	7.4
	7.0	39.4
Head Office		
Legal and professional fees incurred in respect of hedging and Group funding and restructuring	–	9.0
Hedge close out (note a.)	14.7	–
Ayanfuri		
Redundancy costs	–	0.7
	21.7	49.1
Tangible fixed assets impairment (note b.)	193.5	30.0
	215.2	79.1

- a. In October 2000 Ashanti agreed as part of its negotiations with its banks and hedge counterparties during the period leading up to the Geita sale to close out certain hedge positions resulting in an exceptional loss of US\$14.7 million. US\$6.9 million of the loss was settled from the proceeds of the Geita sale and US\$7.8 million was rolled up into the Revolving Credit Facility.
- b. A review of the carrying value of fixed assets of the Group was carried out under FRS 11 by comparing future projected cash flows discounted at 9.3% with net asset value. This resulted in an exceptional charge of US\$193.5 million (1999: US\$30.0 million), comprising US\$150.0 million (1999: US\$30.0 million) at Obuasi, US\$35.0 million at Freda-Rebecca and US\$8.5 million at Kimin.

5 Operating profit analysis by business area before exceptional operating items

12 months to 31 December 2000

	Obuasi	Ayanfuri	Iduapriem*	Bibiani	Siguiri	Freda-Rebecca	Geita	Hedging Income	Exploration	Corp. Admin.	Total
Production ozs	640,988	36,316	193,868	273,711	303,381	112,164	176,836	–	–	–	1,737,264
<i>US\$ million</i>											
Revenue	179.5	10.1	53.9	76.6	85.2	31.3	48.6	97.0	–	–	582.2
Operating costs	(133.5)	(8.9)	(43.2)	(36.8)	(54.8)	(22.2)	(25.7)	–	(14.2)	(25.3)	(364.6)
Royalties	(5.4)	(0.3)	(1.4)	(2.3)	(2.9)	–	(1.4)	–	–	–	(13.7)
Operating cash flow	40.6	0.9	9.3	37.5	27.5	9.1	21.5	97.0	(14.2)	(25.3)	203.9
Depreciation and amortisation	(45.6)	(4.8)	(3.2)	(15.6)	(19.8)	(11.7)	(11.6)	–	(0.4)	(2.1)	(114.8)
Operating profit – 2000	(5.0)	(3.9)	6.1	21.9	7.7	(2.6)	9.9	97.0	(14.6)	(27.4)	89.1
– 1999	(29.4)	(1.8)	3.1	12.5	6.6	3.1	–	143.0	(13.2)	(27.6)	96.3

* Includes Teberebie

6 Exceptional provision for loss on disposal of fixed assets

In 1999 a write down of US\$171.1 million was made against the carrying value of assets at Obuasi following the decision to cease surface mining, to close low capacity shafts and close two treatment plants.

7 Profit on sale of businesses

	2000 US\$m	1999 US\$m
Profit on disposal of 50% interest in Geita to AngloGold	51.2	–
Loss on disposal of 50% interest in Carmeuse Lime Products (Ghana) Ltd to Carmeuse SA	(4.6)	–
Other profit on sale/termination of businesses	–	0.2
	46.6	0.2

The cash effect of the disposal of 50% in Geita is given in note 26.

8 Employees

	2000	1999
The average number of employees during the year was as follows:	No.	No.
Underground mining	4,854	5,284
Surface mining	2,565	2,716
Administration	3,010	3,200
	10,429	11,200

Remuneration paid to directors of the Company (excluding amounts paid to Lonmin Plc in respect of Technical Services and the services of Mr S E Jonah) amounted to US\$3.3 million (1999: US\$1.7 million) which included US\$1.0 million for compensation for loss of office.

9 Net interest payable

	2000 US\$m	1999 US\$m
Interest payable on Exchangeable Notes	12.0	12.0
Interest payable on Revolving Credit Facility	29.0	17.9
On other loans	19.4	13.3
	60.4	43.2
Interest capitalised	(4.4)	(1.8)
	56.0	41.4
Interest receivable	(4.7)	(4.9)
Gain on refinancing of Prepaid Forward Sale Facility	–	(5.3)
Gain on buy back of securities	–	(1.3)
	51.3	29.9

10 Taxation

	2000 US\$m	1999 US\$m
Corporate tax – current year	0.5	–
– in respect of prior years	4.5	2.8
Deferred Tax	0.8	(0.1)
Tax on the profit on disposal of Geita	3.0	–
	8.8	2.7

11 Dividend

No dividends were paid or proposed for the year (1999: Nil).

12 Earnings per share

The calculation of earnings per share is based on earnings after tax and minority interests and the weighted average number of shares outstanding during the year of 112.9 million (1999: 111.9 million). Earnings per share has been shown before and after exceptional items in order to show the impact of the exceptional items on the underlying results of the business.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares. For profits before exceptional items, the Company has no dilutive potential ordinary shares. For losses after exceptional items, the Company has two categories of dilutive potential ordinary shares being, those warrants (under the agreement with the Company's hedge counterparties granted) and those share options (under the Senior Management Share Option Scheme) where the exercise price is more than the average price of the Company's ordinary shares during the period.

	2000 US\$m	1999 US\$m
Before exceptional items		
Basic and diluted earnings attributable to ordinary shareholders	30.5	66.1
Weighted average number of ordinary shares (millions)	112.9	111.9
Dilutive warrants (millions)	–	10.8
Adjusted weighted average number of ordinary shares (millions)	112.9	122.7
Basic earnings per share (US\$)	0.27	0.59
Diluted earnings per share (US\$)	0.27	0.54
After exceptional items		
Basic and diluted earnings attributable to ordinary shareholders	(141.1)	(183.9)
Weighted average number of ordinary shares (millions)	112.9	111.9
Dilutive share options (millions)	(31.1)	(7.4)
Dilutive warrants (millions)	(2.8)	–
Adjusted weighted average number of ordinary shares (millions)	79.0	104.5
Basic loss per share (US\$)	(1.25)	(1.64)
Diluted loss per share (US\$)	(1.79)	(1.76)

13 Intangible assets

Group	Goodwill US\$m
Cost	
At 1 January 2000	131.5
Additions	22.2
Transfer to investment in joint ventures	(65.9)
Disposal of Geita	(65.9)
At 31 December 2000	21.9
Amortisation	
At 1 January 2000	–
Charge for the year	4.8
Transfer to investment in joint ventures	(2.2)
Disposal of Geita	(2.2)
At 31 December 2000	0.4
Net book value	
At 31 December 2000	21.5
At 31 December 1999	131.5

The balance of US\$21.5 million is in respect of the acquisition of Pioneer Goldfields Limited.

The disposal related to the sale of Ashanti's 50% interest in the Geita mine to AngloGold. The remaining 50% has been transferred to investments.

14 Tangible assets

	Mine shafts, development and pre-production US\$m	Plant and equipment US\$m	Processing plants US\$m	Building US\$m	Assets in the course of construction US\$m	Total US\$m
Group						
Cost						
At 1 January 2000	800.1	537.8	406.5	94.5	92.4	1,931.3
Additions	38.5	12.2	2.5	1.0	78.4	132.6
Disposals	(3.4)	(8.1)	(11.6)	(0.5)	–	(23.6)
Transfers	84.3	21.2	50.7	6.1	(162.3)	–
Transfer to investment	(59.5)	(13.6)	(26.9)	(5.1)	–	(105.1)
Disposal of interests in subsidiaries	(59.5)	(20.1)	(26.9)	(5.1)	–	(111.6)
Asset write back	–	–	20.0	–	–	20.0
At 31 December 2000	800.5	529.4	414.3	90.9	8.5	1,843.6
Depreciation						
At 1 January 2000	338.1	317.5	223.1	44.6	–	923.3
Charges	42.4	31.8	28.4	7.4	–	110.0
Provision for impairment	193.5	–	–	–	–	193.5
Disposals	(0.6)	(5.5)	(11.5)	(0.1)	–	(17.7)
Transfer to investment	(1.8)	(1.0)	(0.9)	(0.7)	–	(4.4)
Disposal of interests in subsidiaries	(1.8)	(3.5)	(0.9)	(0.7)	–	(6.9)
At 31 December 2000	569.8	339.3	238.2	50.5	–	1,197.8
Net book value						
At 31 December 2000	230.7	190.1	176.1	40.4	8.5	645.8
At 31 December 1999	462.0	220.3	183.4	49.9	92.4	1,008.0
Company						
Cost						
At 1 January 2000	468.6	420.5	322.5	85.0	10.4	1,307.0
Additions	24.7	10.7	2.2	0.3	–	37.9
Disposals	(1.2)	(7.8)	(11.6)	(0.3)	–	(20.9)
Transfers	0.6	4.0	–	–	(4.6)	–
At 31 December 2000	492.7	427.4	313.1	85.0	5.8	1,324.0
Depreciation						
At 1 January 2000	216.2	232.5	194.7	40.1	–	683.5
Charges	13.1	25.3	5.3	4.3	–	48.0
Provision for impairment	150.0	–	–	–	–	150.0
Disposals	(0.6)	(5.3)	(11.5)	(0.1)	–	(17.5)
At 31 December 2000	378.7	252.5	188.5	44.3	–	864.0
Net book value						
At 31 December 2000	114.0	174.9	124.6	40.7	5.8	460.0
At 31 December 1999	252.4	188.0	127.8	44.9	10.4	623.5
The net book value of tangible assets in the Group and Company includes US\$4.8 million (1999: US\$5.5 million) in respect of assets held under finance leases included within buildings.						
					2000 US\$m	1999 US\$m
Capital commitments						
Contracts placed but not provided for					4.0	65.8

15 Investments**Group**

In December 2000 the Group sold a 50% share of its wholly owned subsidiary, Cluff Resources Limited which owns the Geita mine in Tanzania to AngloGold Limited. Following disposal of the 50% interest, the Geita mine is no longer a subsidiary company of Ashanti and has not been consolidated at 31 December 2000. The 50% interest retained is accounted for as a joint venture under the gross equity basis of accounting.

	Investment in joint ventures US\$m	Loans to joint ventures US\$m	Other investments US\$m	Total US\$m
At 1 January 2000	–	–	–	–
Additions	69.3	31.1	1.5	101.9
At 31 December 2000	69.3	31.1	1.5	101.9

The Group's share of net assets of joint ventures can be analysed as follows:

	2000 US\$m	1999 US\$m
Goodwill	63.7	–
Share of fixed assets	102.6	–
Share of current assets	8.6	–
Share of liabilities due within one year	(13.9)	–
Share of liabilities due after more than one year	(91.7)	–
Share of net assets	69.3	–

Company

Investments represent the Company's investment in subsidiary undertakings at cost less provisions for diminution in value.

	Subsidiary undertakings US\$m	Joint ventures US\$m	Other investments US\$m	Total US\$m
Cost				
At 1 January 2000	550.4	–	–	550.4
Additions	–	–	1.5	1.5
Disposals	(77.8)	–	–	(77.8)
Transfers	(85.6)	85.6	–	–
At 31 December 2000	387.0	85.6	1.5	474.1
Provisions				
At 1 January 2000	30.0	–	–	30.0
Provided in year	165.6	–	–	165.6
At 31 December 2000	195.6	–	–	195.6
Net book value of investments				
At 31 December 2000	191.4	85.6	1.5	278.5
At 31 December 1999	520.4	–	–	520.4

The principal subsidiary undertakings are:

Company and country of incorporation	Class of Principal activities	Group interest Shares held	per cent
Ghana			
Ashanti Goldfields (Ayanfuri) Limited	Gold Mining	Ordinary No par value	100
Ashanti Goldfields (Bibiani) Limited	Gold Mining	Ordinary No par value	100
Ghanaian-Australian Goldfields Limited	Gold Mining	Ordinary No par value	80
Teberebie Goldfields Limited	Gold Mining	Ordinary No par value	90
Guinea			
Société Ashanti Goldfields de Guinée S.A.	Gold Mining	Ordinary	85
Zimbabwe			
Ashanti Goldfields Zimbabwe Limited	Gold Mining	Ordinary	100
Isle of Man			
Ashanti Treasury Services Limited	Treasury	Ordinary	100
Geita Treasury Services Limited	Treasury	Ordinary	100
Cayman Islands			
Ashanti Capital Limited	Financing	Ordinary	100
Ashanti Finance (Cayman) Limited	Financing	Ordinary	100

16 Stocks

	2000 US\$m	Group 1999 US\$m	2000 US\$m	Company 1999 US\$m
Mine stores	54.0	53.0	33.4	35.1
Stores in transit	2.1	2.2	1.6	1.7
Ore in stockpiles	17.3	16.2	–	0.4
Gold in process	4.4	5.0	1.9	2.3
	77.8	76.4	36.9	39.5

17 Debtors

	2000 US\$m	Group 1999 US\$m	2000 US\$m	Company 1999 US\$m
Sundry debtors	10.9	23.4	2.2	5.5
Prepayments	2.2	2.9	0.7	2.1
Deferred expenses	2.5	5.5	–	–
Amounts due from subsidiary undertakings	–	–	148.3	213.0
	15.6	31.8	151.2	220.6

18 Cash

	2000 US\$m	Group 1999 US\$m	2000 US\$m	Company 1999 US\$m
Cash at bank and in hand	48.3	58.6	8.2	7.6
Gold in transit	25.3	31.1	11.0	15.2
	73.6	89.7	19.2	22.8

Cash at bank includes US\$15.5 million on deposit with Standard Chartered Bank in Ghana as collateral for a loan to Ashanti Goldfields Zimbabwe Limited.

19 Creditors

	2000 US\$m	Group 1999 US\$m	2000 US\$m	Company 1999 US\$m
Amounts falling due within one year:				
Trade creditors	43.7	41.8	17.8	18.9
Deferred purchase consideration	7.3	4.8	–	–
Accruals and deferred income	118.0	135.0	37.6	38.1
	169.0	181.6	55.4	57.0
Amounts falling due over one year:				
Deferred purchase consideration	16.1	40.9	–	20.0
Accruals and deferred income	82.1	114.5	13.4	13.2
Amounts due to subsidiary undertakings	–	–	701.3	826.9
	98.2	155.4	714.7	860.1

The total deferred purchase consideration of US\$23.4 million comprises US\$13.8 million in respect of Teberebie and US\$9.6 million in respect of the acquisition of Golden Shamrock Mines Limited in 1996.

Accruals and deferred income of US\$200.1 million includes US\$120.0 million (1999: US\$156.9 million) in respect of deferred hedging income arising from the early close out of hedging contracts.

20 Borrowings

	Group		Company	
	2000 US\$m	1999 US\$m	2000 US\$m	1999 US\$m
5½ per cent Exchangeable Notes	216.6	215.3	–	–
Revolving Credit Facility	88.8	326.0	–	–
Bank loans and overdrafts	26.6	29.4	3.0	4.6
Project finance loans	25.6	–	–	–
Suppliers' credit	0.2	2.8	0.2	2.8
Finance leases	4.8	5.6	4.8	5.6
Aviation loans	3.1	3.5	3.1	3.5
	365.7	582.6	11.1	16.5
Repayments falling due:				
Between one year and two years	11.6	4.8	1.1	4.8
Between two and five years	336.6	418.4	3.5	4.5
After five years	10.3	–	2.2	–
After more than one year	358.5	423.2	6.8	9.3
Within one year	7.2	159.4	4.3	7.2
	365.7	582.6	11.1	16.5

Borrowings exclude the 50% share of the US\$135.0 million non-recourse Geita project finance loan, which has been included in the gross liabilities within the carrying value of the Geita joint venture investment.

US\$216.6 million (1999: US\$ 215.3 million) of Exchangeable Notes is stated net-of deferred loan fees of US\$2.0 million (1999: US\$ 3.3 million) which is being amortised over the period of the Notes.

Details of the conversion rights of the 5½ per cent Exchangeable Notes are set out in note 23. These are repayable on 15 March 2003.

The Revolving Credit Facility which was amended in October 2000, carries a margin over US LIBOR of 250 basis points rising to 400 basis points for sums drawn under the Facility in 2001. US\$81.0 million of the amount drawn is due for repayment on 15 January 2003 and US\$7.8 million is repayable in four equal quarterly instalments commencing on 31 March 2002.

Certain of the tranches of the Revolving Credit Facility are secured on certain offshore bank accounts and certain other contracts and arrangements with hedging counterparties outside Ghana.

The project loans of US\$25.6 million are in respect of loans provided to subsidiaries Ghanaian-Australian Goldfields Limited and Teberebie Goldfields Limited and are secured by fixed and floating charges over their respective assets.

The Group under its Revolving Credit Facility had undrawn committed borrowing facilities of US\$100 million as at 31 December 2000 (1999: Nil). The provisions of the Revolving Credit Facility include tightly drawn restrictions on usage of drawdowns under this facility.

21 Financial instruments

Debtors and creditors arising directly from the Group's operations and gold in transit are excluded from the following disclosures.

Interest rate profile of financial liabilities

The interest rate profile of the Group's financial liabilities at 31 December 2000 and 31 December 1999 which are predominately US dollar denominated were as follows:

	Floating rate borrowings US\$m	Fixed rate borrowings US\$m	Total gross borrowings US\$m	Weighted average interest rate %	Fixed rate borrowings Weighted average time for which period fixed Years
31 December 2000	149.1	216.6	365.7	5.5	2.2
31 December 1999	367.3	215.3	582.6	5.5	3.2

Interest on floating rate borrowings are determined primarily by reference to US LIBOR.

Interest rate profile of financial assets

The interest rate profile of the Group's financial assets at 31 December 2000 and at 31 December 1999 which are predominately US dollar denominated were as follows:

	Fixed rate US\$m	Floating rate US\$m	Interest free US\$m	Total US\$m
31 December 2000	–	45.8	2.5	48.3
31 December 1999	–	55.1	3.5	58.6

21 Financial instruments (continued)

The financial assets of the Group comprise cash at bank and in hand.

Currency exposures

The Group had no significant currency exposures given that all revenues are US dollar denominated as are the majority of its costs, monetary assets and financial liabilities.

Fair values of financial assets and liabilities

The fair value of the Group's financial instruments is as follows:

	2000		1999	
	Book value US\$m	Fair value US\$m	Book value US\$m	Fair value US\$m
Financial instruments held or issued to finance the Group's operations:				
Long term convertible debt	216.6	133.5	215.3	148.6
Other long term borrowings	145.2	145.2	207.9	207.9
Short term borrowings	5.9	5.9	159.4	159.4
Cash	48.3	48.3	58.6	58.6
Derivative financial instruments to hedge the Group's exposure to gold price risk:				
Forwards	–	93.3	–	48.8
Lease rate swaps	–	(61.0)	–	(203.8)
Put options	–	22.9	–	15.4
Call options granted	–	(48.5)	–	(82.1)
Other instruments	–	22.4	–	(9.5)

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where available, market values have been used to determine fair values. When market values are not available, fair values have been calculated by discounting cash flows at prevailing gold prices and interest rates. The fair values have been determined using market information and appropriate methodologies, but are not necessarily indicative of the amounts that the Group could realise in the normal course of business.

Hedging

As explained in the Financial Review on page 16, it is the Group's policy to hedge the risk of movements in the gold prices using several types of derivative financial instruments.

Gains and losses on instruments used for hedging the gold price are not recognised until the exposure that is being hedged is itself recognised. Unrecognised gains and losses on the instruments used for hedging and the movements therein, are as follows:

	Gains US\$m	Losses US\$m	Net Gains/(Losses) US\$m
Unrecognised gains and losses at 1 January 2000	157.6	(5.7)	151.9
(Gains)/losses arising in previous years recognised in the year	(42.6)	1.2	(41.4)
Gains arising before 1 January 2000 not recognised in the year	115.0	(4.5)	110.5
Gains and losses arising in the year and not recognised	9.5	–	9.5
Unrecognised gains and losses on hedges at 31 December 2000	124.5	(4.5)	120.0
Gains and losses expected to be recognised within one year	54.4	–	54.4
Gains and losses expected to be recognised after one year	70.1	(4.5)	65.6

22 Provisions for liabilities and charges

Group	Deferred tax US\$m	Site rehabilitation US\$m	Total US\$m
At 1 January 2000	9.1	16.4	25.5
Charge for the year	0.8	0.8	1.6
Disposal of 50% interest in Geita	–	(2.6)	(2.6)
At 31 December 2000	9.9	14.6	24.5

Deferred taxation comprises

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Amount provided US\$m	Full potential US\$m
Accelerated capital allowances	9.9	174.5
Other timing differences	–	(2.4)
Losses carried forward	–	(245.7)
At 31 December 2000	9.9	(73.6)
At 31 December 1999	9.1	19.1

No provision has been made for taxation which might accrue on the distribution of unappropriated profits of overseas subsidiaries.

Company

	Deferred tax US\$m	Site rehabilitation US\$m	Total US\$m
At 1 January 2000	–	5.2	5.2
Charge for the year	0.6	–	0.6
At 31 December 2000	0.6	5.2	5.8

23 Stated capital

Authorised		
200,000,000 ordinary shares of no par value	200,000,000	
1 special rights redeemable preference share of no par value	1	
	200,000,001	
		Issued shares
		Stated capital US\$m
Allotted and fully paid		
At 31 December 2000 and 1999		
Ordinary shares of no par value in issue	112,336,942	544.3
Ordinary shares in treasury	559,405*	–
1 special rights redeemable preference share of no par value	1	–
	112,896,348	544.3

*The 559,405 ordinary shares held in treasury do not qualify for dividends and do not have voting rights but remain uncanceled.

Based on the prices quoted on the New York Stock Exchange, the Company's share price traded between a high of US\$3.75 and a low of US\$1.38. As at 31 December 2000, the Company's market capitalisation based on a share price of US\$1.88 was US\$212.2 million.

The Government of Ghana holds the special rights redeemable preference share of no par value (the "Golden Share"). The Golden Share is non-voting but the holder is entitled to receive notice of and to attend and speak at any general meeting of the members or at any separate meeting of the holders of any class of shares. On winding up, the Golden Share has a preferential right to return of capital, the value of which will be 1,000 cedis.

The Regulations of the Company provide that certain matters, principally matters affecting the rights of the Golden Share, the winding up of the Company or the disposal of a material part of the Group's assets, shall be deemed to be a variation of the rights attaching to the Golden Share and shall be effective only with the written consent of the holder of the Golden Share.

All of the ordinary shares rank *pari passu* in all respects.

On 30 May 2000, the Company in general meeting passed a special resolution renewing an existing authority to make market purchases of its own shares up to an aggregate of 12,000,000 ordinary shares at a price per share (exclusive of expenses) of not more than 5 per cent above the average of the middle market quotations for the shares taken from the Daily Official List of the London Stock Exchange for the five business days immediately before the date of purchase. However, the Company did not utilise this authority. The authority for the Company to purchase its own shares will expire on 30 August 2001 or at the conclusion of the Annual General Meeting at which it is proposed to renew the authority.

In February 1996, the Group raised US\$250 million through an issue by a subsidiary of seven year 5½ per cent Exchangeable Notes listed on the New York and London stock exchanges. The noteholders have the option of converting the notes into ordinary shares at a conversion price of US\$27 per share. The notes may be redeemed by the Company in whole at par at any time after 15 March 2000 and will mature on 15 March 2003, unless converted or redeemed earlier. As at 31 December 2000, the Company had purchased US\$31.4 million of the notes which remain uncanceled. The conversion rights of the US\$218.6 million notes still in circulation could give rise to the issue of up to 8,096,296 ordinary shares.

In November 1999, pursuant to an agreement with the Company's hedge counterparties as subsequently amended in February 2000, a wholly-owned subsidiary, Ashanti Warrants Limited, issued unlisted warrants to subscribe for Mandatorily Exchangeable Securities under which the securityholders have the option of converting the securities into ordinary shares at a conversion price of US\$3 per share. The warrants were issued in three equal tranches with expiry dates of 28 April 2004, 28 October 2004 and 28 April 2005. The conversion rights of the warrants could give rise to the issue of up to 19,835,001 ordinary shares.

23 Stated capital (continued)

As at 31 December 2000, the following options granted under the Senior Management Share Option Scheme remained outstanding:

Period of exercise	Code	Option price US\$	Number of ordinary shares of no par value
26 April 1997–25 April 2004	A	20.00	192,900
14 June 1997–13 June 2004	B	22.58	15,000
1 February 1998–31 January 2005	C	20.95	672,135
15 December 1998–14 December 2005	D	20.43	584,812
19 June 1999–18 June 2006	E	18.45	238,158
10 January 2000–9 January 2007	F	12.30	638,134
20 May 2000–19 May 2007	G	13.24	516,884
13 August 2000–12 August 2007	H	10.63	3,377,793
18 May 2001–17 May 2008	I	9.42	1,510,385
25 September 2001–24 September 2008	J	7.57	80,000
5 November 2001–4 November 2008	K	8.37	380,571
13 July 2003–12 July 2010	L	1.66	40,000
28 August 2003–27 August 2010	M	2.55	50,000
Total			8,296,772

24 Directors' interests

The beneficial interests, including family interests, of the directors holding office at the end of the year in ordinary shares of the Company are set out below:

	Shares		Shares under option Granted		
	1 January 2000	31 December 2000	1 January 2000	during the year	31 December 2000
M E Beckett	1,359	1,873	–	–	–
S E Jonah	45,302	45,302	290,000	–	290,000
M Botsio-Phillips	100	100	45,000	–	45,000
E D Ofori Atta	553	553	45,000	–	45,000
T S Schultz	23,548	23,548	128,050	–	128,050
S Venkatakrishnan	–	–	–	50,000	50,000
A Ashiabor	212	212	–	–	–
L Chalker	–	–	–	–	–
D R Creed	–	3,793	–	–	–
C A Crocker	–	5,000	–	–	–
K Duffuor	5,000	5,000	–	–	–
T R Gibian	20,000	20,000	–	–	–
M P Martineau	–	–	–	–	–
N J Morrell	–	–	–	–	–
J N Robinson	–	–	–	–	–

Between 1 January 2001 and 9 March 2001, there were no changes in the above directors' interests.

At the Annual General Meeting held on 27 April 1999, shareholders approved the introduction of a Bonus Co-Investment Plan and a Performance Share Plan, the main features of which are as follows:

Bonus Co-Investment Plan

Under the Bonus Co-Investment Plan, executive directors and key employees are invited to invest a percentage of their annual remuneration in Ashanti ordinary shares ("Ashanti shares"). These are designated "Invested Shares" for the purposes of the Plan. Participants are then granted without further payment rights to receive additional shares referable to the number of shares which they have purchased as Invested Shares. These additional shares are designated "Matching Shares" for the purposes of the Plan. Normally, so long as the participant does not sell the Invested Shares within a two-year period following their purchase, the Matching Shares will be released to the employee in equal instalments on the first and second anniversaries of the award. Rights to receive Matching Shares will normally lapse if the participant leaves the Company or sells the Invested Shares within two years of the purchase of the Invested Shares.

24 Directors' interests (continued)

Performance Share Plan

Under the Performance Share Plan, executive directors and key employees receive free Ashanti shares, if Ashanti achieves certain performance conditions within a three-year period. The full number of shares to which a participant is entitled would only be received if Ashanti meets challenging internal and/or external goals. Rights to receive shares will normally lapse if the participant leaves the Company within three years of the grant of the award.

An analysis of options held by directors as at 31 December 2000 using the codes shown in note 23 is set out below:

	A	C	D	F	G	M	Total
M Botsio-Phillips	–	–	5,230	15,600	24,170	–	45,000
S E Jonah	20,000	73,670	3,150	28,960	164,220	–	290,000
E D Ofori Atta	12,800	3,910	–	–	28,290	–	45,000
T S Schultz	–	–	–	128,050	–	–	128,050
S Venkatakrishnan	–	–	–	–	–	50,000	50,000
Total	32,800	77,580	8,380	172,610	216,680	50,000	558,050

As at 9 March 2001 the following awards have been made to the following directors under the Company's Bonus Co-Investment Plan and Performance Share Plan since their introduction:

Name	Shares awarded under the Bonus Co-Investment Plan	Shares awarded under the Performance Share Plan
M Botsio-Phillips	–	6,000
S E Jonah	14,388	9,000
E D Ofori Atta	–	6,000
T S Schultz	7,697	6,000
S Venkatakrishnan	–	3,000
Total	22,085	30,000

25 Reserves

	Profit and loss account US\$m	Group Share deals account US\$m	Total US\$m	Profit and loss account US\$m	Company Share deals account US\$m	Total US\$m
At 1 January 2000	(172.1)	19.0	(153.1)	(75.3)	19.0	(56.3)
Retained loss for the year	(141.1)	–	(141.1)	(329.2)	–	(329.2)
Goodwill written back on disposal of Geita	24.6	–	24.6	–	–	–
At 31 December 2000	(288.6)	19.0	(269.6)	(404.5)	19.0	(385.5)

In accordance with the Ghana Companies Code 1963 (Act 179), all transactions relating to the purchase and re-issue of the Company's own shares are recorded in a non-distributable share deals account.

Group reserves is after goodwill written off in previous years of US\$476 million (1999: US\$501 million) arising on the acquisition of subsidiary undertakings.

26 Acquisitions and disposals

Acquisition

In June 2000 Ashanti acquired a 90% interest in Pioneer Goldfields Company Limited, the Company that owns the Teberebie mine in Ghana, from Pioneer Gold Inc for a total consideration of US\$18.8 million. Ashanti on sold certain acquired assets of Teberebie to Goldfields Ghana Limited for US\$5 million. Details of the consideration and assets acquired are set out below.

	Book value at acquisition US\$m	Fair value adjustments US\$m	Provisional fair values US\$m
Tangible fixed assets	56.6	(56.5)	0.1
Stock	4.0	(2.7)	1.3
Cash	0.6	–	0.6
Creditors	(0.7)	–	(0.7)
Borrowings	(8.3)	–	(8.3)
Net assets acquired	52.2	(59.2)	(7.0)
Goodwill			21.9
Cost of acquisition			14.9
Satisfied by:			
Cash consideration			5.0
Assets on sold			(5.0)
Cost of acquisition			1.1
Deferred consideration			13.8
Total consideration			14.9
Analysis of acquisition cash flows:			
Total net cash consideration			(6.1)
Net cash acquired of with subsidiary			0.6
Assets on sold			5.0
Total			(0.5)

The deferred consideration of US\$13.8 million is payable as follows: two payments of US\$2.5 million in each of March 2001 and 2002, US\$3.0 million in March 2003, US\$3.75 million in March 2004 and US\$2.05 million in March 2005.

The loss incurred by Pioneer Goldfields Company Limited for the last full financial period prior to acquisition was US\$21.5 million.

Disposal

On 15 December 2000 Ashanti disposed of a 50% interest in its subsidiary Cluff Resources Limited which owns 100% of the Geita mine in Tanzania. The net inflow in respect of the disposal is as follows:

	US\$m
Tangible fixed assets	205.3
Stocks	11.3
Debtors	1.8
Cash	4.2
Creditors	(11.6)
Due to Ashanti Group	(173.0)
Borrowings	(75.0)
	(37.0)
Less: 50% of net liabilities retained	18.5
Goodwill	88.3
Profit on disposal	51.2
	121.0
Satisfied by:	
Proceeds of transaction	118.0
Additional consideration	2.8
Costs of disposal	(27.8)
Total net cash consideration	93.0
Share of proceeds from issue of new shares by Cluff Resources Limited	28.0
	121.0
Analysis of disposal cash flows	
Total net cash consideration	93.0
Net cash disposed of with subsidiary	(4.2)
Settlement of amounts due to Ashanti Group	142.0
Total cash inflow	230.8

27 Reconciliation of operating profit before exceptional operating costs to operating cash flows	2000 US\$m	1999 US\$m
Operating profit before exceptional operating costs	89.1	96.3
Depreciation and amortisation	114.8	114.9
Operating cash flow	203.9	211.2
Loss on disposal of fixed assets	5.2	–
(Increase)/decrease in stocks	(11.8)	2.2
Decrease/(increase) in debtors	10.8	(0.2)
Decrease in creditors	(18.0)	(26.5)
Decrease in deferred hedging income	(34.6)	(47.5)
Increase/(decrease) in provisions	0.8	(0.3)
Outflows related to exceptional operating costs	(6.9)	(18.6)
Net cash inflow from operating activities	149.4	120.3

28 Financing	2000 US\$m	1999 US\$m
Revolving Credit Facility – drawdowns	–	270.0
– repayments	(251.0)	(152.6)
Bridge Facility – drawdowns	75.0	–
Other – drawdowns	–	19.0
– repayments	(10.3)	(61.9)
	(186.3)	74.5

29 Analysis of net debt	At 1 Jan 2000 US\$m	Cash flow US\$m	Other non-cash movements US\$m	At 31 Dec 2000 US\$m
Cash at bank	35.3	(2.8)	–	32.5
Bank overdraft	(4.6)	1.1	–	(3.5)
Cash	30.7	(1.7)	–	29.0
Short term deposits and collateralised cash (liquid resources)	54.4	(13.3)	–	41.1
Borrowings	(578.0)	186.3	29.5	(362.2)
Net debt	(492.9)	171.3	29.5	(292.1)

30 Related party transactions

The Company's principal shareholder is Lonmin (32 per cent) which provides technical services and the services of Mr S E Jonah to the Group for which it received US\$1.8 million (1999: US\$1.8 million) for the year.

Another major shareholder is the Government of Ghana (20 per cent). The Group pays royalties, corporate and other taxes and utility charges in the normal course of business to the Government and associated authorities. Amounts paid during the year totalled approximately US\$58 million.

31 Contingent liabilities

US Class Actions

In the first half of 2000, three class actions were commenced against the Company and two of its officers and directors and one former director under the United States Federal Securities laws in the United States District Court for the Eastern District of New York, alleging non-disclosures and misstatements regarding Ashanti's hedging position and hedging programme. The plaintiffs contend that the Company and the individual defendants' actions violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under that Act. The plaintiffs seek unspecified damages, attorneys' and experts' fees and other relief.

Currently, the three actions have been consolidated for all purposes by the Court, one of the directors has been dropped as a defendant and lead plaintiffs have been appointed by the Court under the Private Securities Litigation Reform Act of 1995. A consolidated amended class action complaint has been filed and the class period with reference to which the consolidated action will relate is 28 July 1999 through 5 October 1999.

The Company is vigorously defending the action, and although the Company cannot make any assurances regarding the ultimate result of the litigation at this stage, it believes that the outcome will have no material adverse effect on the Company's financial position.

31 Contingent liabilities (continued)***Kimin – Employee Actions***

In November 1999, the Brussels Labour Court upheld the claims for arrears of salary and severance payments in proceedings instituted by certain ex-Kimin expatriates employees against Kimin and Ashanti.

Kimin and Ashanti have appealed against the judgement but this is yet to be determined. In October 2000, the plaintiffs unsuccessfully instituted proceedings in Kinshasa – Democratic Republic of Congo (DRC) to enforce the judgement against Kimin in the DRC.

Although the Company cannot make any assurances regarding the ultimate outcome of this litigation, it is of the view, based on information currently available, that the expected liability has been provided for in the financial statements.

Pangea/Ashanti Joint Venture – Arbitration

The dispute between the Company and Pangea Goldfields Inc. regarding the operation of the exploration joint venture in Tanzania is currently the subject of arbitration proceedings at the International Court of Arbitration of the International Chamber of Commerce. The Company believes the dispute will have no material adverse effect on the Company's financial position.

Guarantee Provided by Golden Shamrock Mines Limited

Golden Shamrock Mines Limited, a subsidiary of Ashanti has guaranteed certain financial obligations of Hellenic Copper, a company which is not part of the Group up to a maximum amount of US\$4.0 million.

The following table sets out Ashanti's hedge portfolio as at 31 December 2000

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Forward Sales (ounces)	471,758	477,500	658,746	469,996	464,996	248,000	190,000	205,000	180,000	140,000	140,000	120,000	120,000	3,885,996
(US\$/ounce)	351.58	350.26	349.49	361.29	353.12	349.35	345.93	349.80	345.33	346.86	346.86	348.00	348.00	351.06
Puts:														
Bought (ounces)	150,003	270,000	50,000	-	-	-	-	-	-	-	-	-	-	470,003
(US\$/ounce)	321.33	349.54	354.00	-	-	-	-	-	-	-	-	-	-	341.01
Sold (ounces)	50,000	50,000	50,000	50,000	-	-	-	-	-	-	-	-	-	200,000
(US\$/ounce)	270.00	270.00	270.00	270.00	-	-	-	-	-	-	-	-	-	270.00
Subtotal (ounces)	100,003	220,000	-	(50,000)	-	-	-	-	-	-	-	-	-	270,003
Calls:														
Sold (ounces)	845,704	820,700	713,092	635,092	305,900	315,620	287,840	287,840	96,220	56,500	56,500	56,500	56,500	4,534,008
(US\$/ounce)	320.23	332.97	359.76	366.60	357.32	361.25	366.48	366.48	362.38	350.00	350.00	350.00	350.00	348.86
Bought (ounces)	-	60,000	240,000	280,000	60,000	173,000	173,000	-	-	-	-	-	-	986,000
(US\$/ounce)	-	380.00	429.13	444.43	380.00	418.44	418.44	-	-	-	-	-	-	423.74
Subtotal (ounces)	845,704	760,700	473,092	355,092	245,900	142,620	114,840	287,840	96,220	56,500	56,500	56,500	56,500	3,548,008
Convertible Structures:														
Put Protection (ounces)	-	-	-	79,200	79,200	179,200	179,200	179,200	179,200	179,200	100,000	100,000	50,000	1,304,400
(US\$/ounce)	-	-	-	377.50	377.50	390.47	390.47	390.47	390.47	390.47	400.75	400.75	401.00	390.88
Forward														
Commitment (ounces)	-	-	-	-	-	200,000	200,000	189,000	100,000	100,000	100,000	100,000	50,000	1,039,000
(US\$/ounce)	-	-	-	-	-	400.75	400.75	400.75	400.75	400.75	400.75	400.75	401.00	400.76
Call														
Commitment (ounces)	-	-	-	79,200	79,200	79,200	79,200	79,200	135,200	135,200	56,000	56,000	28,000	806,400
(US\$/ounce)	-	-	-	380.00	380.00	380.00	380.00	380.00	388.59	388.59	400.75	400.75	401.00	386.49
Summary:														
Protected (ounces)	571,761	697,500	658,746	499,196	544,196	427,200	369,200	384,200	359,200	319,200	240,000	220,000	170,000	5,460,399
Committed (ounces)	1,317,462	1,238,200	1,131,838	904,288	790,096	669,820	584,040	761,040	511,420	431,700	352,500	332,500	254,500	9,279,404
Lease Rate Swap (ounces)	2,932,750	5,341,625	5,044,125	4,466,400	3,765,200	3,089,400	2,470,375	1,941,675	1,427,650	1,014,470	695,250	408,750	161,000	2,932,750
Amortising Volume														5,341,625
Total committed ounces as a percentage of total forecast production (excluding Geita production for the period of the project finance ie 2001 – 2007)														75
Deferred Hedging Income (US\$m)	54	35	16	15	-	-	-	-	-	-	-	-	-	120

Details of Hedging Contracts outstanding 31 December 2000

Forward Sales:

A total of 3.89 million ounces have been sold forward at an average price of US\$351 per ounce.

Put Options:

Ashanti has purchased 470,003 ounces of put options that give Ashanti the right, but not the obligation, to sell gold at certain strike prices. The average strike price is US\$341 per ounce. Ashanti has also sold 200,000 ounces of put options at an average strike price of US\$270 per ounce.

Call Options:

Ashanti has sold 4.53 million ounces of call options at an average strike price of US\$349 per ounce. As a partial offset, Ashanti has bought 986,000 ounces of call options at an average strike price of US\$424 per ounce which start maturing in 2002.

Convertible Structures:

The portfolio contains 3 types of convertible structures:

1. Ashanti has sold 554,400 ounces of call options at a strike price of US\$380 per ounce for the period March 2004 to December 2010. These call options convert to bought put options (with a strike price of US\$378 per ounce) if gold trades below predetermined barrier levels on specified dates starting from 2002. The average barrier level is US\$347.
2. Ashanti owns 300,000 ounces of put options for the period March 2006 to December 2008 with strike prices of US\$401 per ounce. Each option has a conversion level and a strip of conversion dates associated with it. If the conversion occurs the put options convert into 589,000 ounces of forward sales at the same strike price.
3. Ashanti owns 450,000 ounces of put options for the period March 2009 to December 2013 with strike prices of US\$401 per ounce. Each option has a conversion level and a strip of conversion dates associated with it. If the conversion occurs each put option converts into 1 ounce of forward sales and 0.56 ounces of (sold) call options

The average conversion level for convertibles 2 and 3 is US\$363 per ounce.

The hedge table breaks the above structures into protected and committed ounces. The "Put Protection" represents the amount of ounces that may be sold should gold continue trading at current levels. Under certain conditions (given above) these puts may cease to exist and may be replaced by forward sales and/or calls sold ("Forward Commitment" and "Call Commitment").

Gold Lease Rate Swaps:

The lease rate swaps can be broken down into the following types:

	Fixed Rate (%)	Volume (ounces)												
Ashanti pays a monthly floating rate and receives a monthly fixed rate of 2%	2.00	32,750												
Ashanti pays a semi-annual floating rate and receives a semi-annual fixed rate of 1.9%	1.90	396,000												
Ashanti pays a semi-annual floating rate and receives a semi-annual fixed rate of 1.9%	1.90	1,150,000												
Ashanti pays a quarterly floating rate and receives a quarterly fixed rate of 1.80%. The fixed amount of ounces is converted to dollars at a fixed spot price of US\$300	1.80	1,920,000												
Ashanti pays a quarterly floating rate and receives a fixed amount of dollars at maturity. The quarterly amount is rolled until maturity of each forward contract. The fixed amount for each contract is calculated using the formula: Volume*YearsToMaturity*302*2.00%. The next rate set is in 2002.	2.00	920,000												
Ashanti pays a quarterly floating rate and receives a fixed rate ranging from 1.75% to 0% depending on where gold fixes	1.75	740,000												
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Gold Fix</td> <td style="width: 30%;"></td> <td style="width: 30%; text-align: center;">Fixed Rate Received</td> </tr> <tr> <td>Spot<US\$345</td> <td></td> <td style="text-align: center;">1.75%</td> </tr> <tr> <td>US\$345<Spot<US\$400</td> <td style="text-align: center;">Linearly interpolated between 0% and 1.75%</td> <td></td> </tr> <tr> <td>US\$400<Spot</td> <td></td> <td style="text-align: center;">0%</td> </tr> </table>	Gold Fix		Fixed Rate Received	Spot<US\$345		1.75%	US\$345<Spot<US\$400	Linearly interpolated between 0% and 1.75%		US\$400<Spot		0%		
Gold Fix		Fixed Rate Received												
Spot<US\$345		1.75%												
US\$345<Spot<US\$400	Linearly interpolated between 0% and 1.75%													
US\$400<Spot		0%												
Ashanti pays a quarterly floating rate and receives a fixed rate ranging from 2.25% to 0% depending on where gold fixes	2.25	240,000												
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Gold Fix</td> <td style="width: 30%;"></td> <td style="width: 30%; text-align: center;">Fixed Rate Received</td> </tr> <tr> <td>Spot<US\$360</td> <td></td> <td style="text-align: center;">2.25%</td> </tr> <tr> <td>US\$360<Spot<US\$400</td> <td style="text-align: center;">Linearly interpolated between 2.25% and 0%</td> <td></td> </tr> <tr> <td>US\$400<Spot</td> <td></td> <td style="text-align: center;">0%</td> </tr> </table>	Gold Fix		Fixed Rate Received	Spot<US\$360		2.25%	US\$360<Spot<US\$400	Linearly interpolated between 2.25% and 0%		US\$400<Spot		0%		
Gold Fix		Fixed Rate Received												
Spot<US\$360		2.25%												
US\$360<Spot<US\$400	Linearly interpolated between 2.25% and 0%													
US\$400<Spot		0%												
Total		5,398,750												

Mark-to-Market Valuations

On 31 December 2000, the portfolio had a positive mark-to-market value of US\$29.1 million. This valuation was based on a spot price of US\$273 per ounce and the then prevailing mid US interest rates, gold forward rates and volatilities. The delta at that time was 6.75 million ounces. This implies that a US\$1 increase in the price of gold would have a US\$6.75 million negative impact (approximate) on the mark-to-market valuation of the hedge book. Movements in US interest rates, gold lease rates, volatilities and time will also have a sizeable impact on the mark-to-market. All these variables can change significantly over short time periods and can consequently materially affect the mark-to-market valuation.

The approximate breakdown by type of the mark-to-market valuation at 31 December, 2000 was as follows:

	US\$m
Forward contracts	93.3
European Put options (net bought)	22.9
European Call options (net sold)	(48.5)
Convertible structures	22.4
Lease rate swaps	(61.0)
	29.1

Hedge Book Sensitivities

All of the projections set out below are forward looking statements and have been prepared for illustrative purposes only, based on the assumptions and sensitivities set out below and the hedge book as at 31 December 2000. Accordingly, the actual realised prices, cash flows, mark to market values and portfolio sensitivities could differ materially from those set out below as a result of a number of factors including active management of the hedge book.

Projected Realised Prices and Cash Flows:

The following summary table shows, as at 31 December 2000, the ounces delivered, average prices and future hedge cashflows at the assumed spot price indicated. A lease rate of 1.5% is assumed throughout.

Spot Price	Ounces delivered million	Average Price US\$ per Ounce	Cashflow US\$ million
US\$250	5.460	370	656.27
US\$300	5.660	365	365.97
US\$350	7.056	351	9.30
US\$400	9.822	353	(458.60)

The number of ounces delivered in this table indicates how many ounces Ashanti would sell through forward sales, as well as calls and puts, bought and sold, which would be exercised under the various assumed spot prices. The effects of all lease rate swap rate-sets have been included in the average price and cash flows calculation.

Mark to Market Projections

The following table shows projected mark-to-markets of the portfolio for specified dates at specified spot gold prices. These mark-to-markets are calculated using mid-rates and no volatility skew for options is assumed. Note also that there is one lease rate swap that is not paid out immediately but is paid out in line with forward sales – for this a fixing rate of 2% is assumed. All amounts are in US\$ millions

Spot	US\$250/oz	US\$275/oz	US\$300/oz	US\$325/oz	US\$350/oz	US\$375/oz	US\$400/oz
Dec 01	203.7	63.9	(87.7)	(254.1)	(434.9)	(624.3)	(817.0)
Dec 02	201.9	85.7	(38.1)	(171.0)	(312.9)	(460.8)	(611.5)
Dec 03	186.6	90.8	(10.0)	(117.0)	(231.4)	(351.6)	(474.1)
Dec 04	174.1	93.2	9.2	(78.8)	(171.3)	(267.7)	(365.7)
Dec 05	156.6	90.7	22.4	(49.0)	(124.0)	(202.1)	(281.0)
Dec 06	141.0	86.7	30.8	(27.2)	(88.2)	(151.8)	(216.2)
Dec 07	126.1	81.6	36.3	(10.3)	(59.0)	(109.7)	(161.5)
Dec 08	104.8	70.1	34.9	(0.8)	(37.4)	(74.6)	(111.7)
Dec 09	80.8	55.3	29.4	3.2	(23.5)	(50.5)	(77.0)
Dec 10	55.7	38.4	20.9	3.1	(15.1)	(33.4)	(51.3)
Dec 11	36.4	25.5	14.5	3.1	(8.5)	(20.2)	(31.4)
Dec 12	15.8	11.0	6.0	1.0	(4.4)	(10.0)	(15.5)
Dec 13	–	–	–	–	–	–	–

Cash Flow Projections

The following table shows a breakdown of the cash flows that would be received or paid under specified spot and lease rate assumptions. The specified lease rates are used for all resets, i.e. 1 month, 3 month and 6 month. The specified spot price is used to cash-settle all contracts. All amounts are in US\$ millions.

Spot Lease Rate	US\$250/oz			US\$275/oz			US\$300/oz		
	1%	2%	3%	1%	2%	3%	1%	2%	3%
2001	63.7	58.7	53.7	49.0	43.6	38.1	33.4	27.5	21.5
2002	83.2	74.1	64.9	65.4	55.4	45.3	46.6	35.6	24.7
2003	85.3	74.6	63.8	68.6	56.8	45.0	50.9	38.0	25.1
2004	72.2	62.4	52.6	59.5	48.7	37.9	45.7	34.0	22.2
2005	66.5	58.0	49.4	52.9	43.5	34.1	39.3	29.0	18.7
2006	57.0	49.7	42.4	46.2	38.2	30.2	35.5	26.7	18.0
2007	49.4	43.2	36.9	40.0	33.2	26.4	30.7	23.3	15.8
2008	50.5	45.2	39.9	40.8	35.0	29.1	31.1	24.7	18.3
2009	46.2	41.7	37.2	37.1	32.1	27.2	28.0	22.6	17.1
2010	41.9	37.8	33.8	33.7	29.3	24.8	25.6	20.7	15.9
2011	31.2	27.5	23.7	25.0	20.9	16.8	18.8	14.3	9.8
2012	28.9	25.3	21.8	23.2	19.2	15.3	17.4	13.1	8.8
2013	20.9	17.4	14.0	16.5	12.5	8.6	11.8	7.6	3.5
Total	696.9	615.6	534.1	557.9	468.4	378.8	414.8	317.1	219.4

Portfolio Sensitivities

The following table shows the sensitivity of the portfolio to certain market rate movements as at 31 December 2000. A description of each sensitivity is given below.

Delta	(6.75)	(Ounces million)
Gold Rho	3.34	(US\$ million)
US Rho	(20.71)	(US\$ million)
Gold Vega	(5.75)	(US\$ million)
Theta	0.30	(US\$ million)

Delta	The delta shows the gold ounces that Ashanti would have to buy to neutralise the portfolio position. The delta could also be interpreted as the change in mark-to-market for a US\$1 move in the spot gold price, i.e. a US\$1 increase in spot would reduce the mark-to-market by US\$6.75 million.
Gold Rho	The gold rho figure shows the change in mark-to-market for a 25 basis point parallel shift in the gold interest rate curve, i.e. a 0.25% rise in gold interest rate across the gold curve would increase the mark-to-market by US\$3.34 million.
US Rho	The US rho figure shows the change in the mark-to-market for a 25 basis point parallel shift in US interest rates, i.e. a 0.25% rise in US interest rates across the US interest rate curve would decrease the mark-to-market by US\$20.71 million.
Gold Vega	The Gold vega figure shows the change in mark-to-market for a 1% parallel shift in the gold volatility curve, i.e. a 1% rise in the gold volatility curve would decrease the mark-to-market by US\$5.75 million.
Theta	The theta figure shows the change in mark-to-market owing to the passing of 1 day, with everything else remaining constant, i.e. if all market parameters stay the same, the mark-to-market would increase by US\$0.3 million for the next day.

Spot Lease Rate	US\$325/oz			US\$350/oz			US\$375/oz			US\$400/oz		
	1%	2%	3%	1%	2%	3%	1%	2%	3%	1%	2%	3%
12.8	6.3	(0.1)	(19.5)	(26.5)	(33.4)	(55.4)	(62.8)	(70.3)	(92.0)	(100.0)	(107.9)	
25.7	13.9	2.0	(5.0)	(17.8)	(30.6)	(41.7)	(55.4)	(69.1)	(77.8)	(92.4)	(107.1)	
32.5	18.6	4.6	8.2	(6.8)	(21.9)	(23.0)	(39.1)	(55.3)	(55.8)	(73.0)	(90.2)	
32.0	19.3	6.5	12.4	(1.3)	(15.1)	(11.3)	(26.0)	(40.7)	(38.0)	(53.6)	(69.3)	
25.6	14.5	3.3	9.5	(2.5)	(14.5)	(6.7)	(19.6)	(32.4)	(29.0)	(42.7)	(56.4)	
24.7	15.3	5.8	11.7	1.5	(8.7)	2.1	(8.9)	(19.8)	(19.8)	(31.4)	(43.1)	
21.4	13.3	5.3	9.9	1.2	(7.5)	2.7	(6.6)	(15.9)	(15.7)	(25.6)	(35.6)	
21.4	14.5	7.5	9.5	2.0	(5.4)	1.9	(6.1)	(14.1)	(17.3)	(25.8)	(34.3)	
18.9	13.0	7.1	7.6	1.2	(5.1)	(1.0)	(7.8)	(14.5)	(11.9)	(19.1)	(26.4)	
17.4	12.2	6.9	7.1	1.5	(4.2)	(0.4)	(6.5)	(12.6)	(9.6)	(16.1)	(22.5)	
12.6	7.7	2.9	6.3	1.1	(4.1)	(1.3)	(6.9)	(12.5)	(8.9)	(14.9)	(20.9)	
11.6	7.0	2.2	5.9	0.9	(4.1)	(1.3)	(6.7)	(12.0)	(8.5)	(14.2)	(19.9)	
7.3	2.5	(1.8)	2.6	(2.2)	(7.1)	(3.3)	(8.4)	(13.8)	(9.2)	(14.9)	(20.4)	
Total	263.9	158.1	52.2	66.2	(47.7)	(161.7)	(138.7)	(260.8)	(383.0)	(393.5)	(523.7)	(654.0)

Five Year Financial Summary

	Year to 31 Dec 1996 US\$m	Year to 31 Dec 1997 US\$m	Year to 31 Dec 1998 US\$m	Year to 31 Dec 1999 US\$m	Year to 31 Dec 2000 US\$m
Profit and Loss					
Turnover	458.7	531.3	600.3	582.1	582.2
Total costs before exceptional items	(377.3)	(447.7)	(500.8)	(485.8)	(493.1)
Operating profit before exceptional items	81.4	83.6	99.5	96.3	89.1
Profit before taxation and exceptional items	60.1	60.4	76.3	66.4	37.8
Exceptional items	–	(4.7)	(33.2)	(250.0)	(168.6)
Taxation	(0.1)	(2.4)	–	(2.7)	(8.8)
Profit/(loss) after taxation and exceptional items	60.0	53.3	43.1	(186.3)	(139.6)
Profit attributable to shareholders	60.0	53.7	40.7	(183.9)	(141.1)
Dividend	(39.0)	(21.8)	(10.9)	–	–
Retained profit/(loss) for the year	21.1	31.9	29.8	(183.9)	(141.1)
Earnings per share before exceptional items (US\$)	0.64	0.54	0.68	0.59	0.27

	31 Dec 1996 US\$m	31 Dec 1997 US\$m	31 Dec 1998 US\$m	31 Dec 1999 US\$m	31 Dec 2000 US\$m
Balance Sheet					
Fixed assets	962.6	1,101.2	1,213.1	1,139.5	769.2
Current assets	267.3	258.1	276.2	197.9	167.0
Creditors:					
Amounts due within one year	(175.2)	(206.3)	(282.4)	(341.0)	(176.2)
Net current assets/(liabilities)	92.1	51.8	(6.2)	(143.1)	(9.2)
Total assets less current liabilities	1,054.7	1,153.0	1,206.9	996.4	760.0
Creditors:					
Amounts due over one year	(490.4)	(614.4)	(632.2)	(578.6)	(456.7)
Capital and reserves					
Stated capital	489.5	515.6	518.6	544.3	544.3
Reserves	68.3	4.6	30.8	(153.1)	(269.6)
Shareholders' funds	557.8	520.2	549.4	391.2	274.7

Shareholder Profile

as at 16 February 2001

Category	Number of shareholders	Per cent of total shareholders	Number of shares	Per cent of issued shares
Private individuals	27,616	96.23	2,416,913	2.15
Pension funds	111	0.42	419,687	0.37
Insurance companies	22	0.08	12,840	0.01
Private/investment trusts	85	0.30	1,817,536	1.62
Other corporate holders	855	2.97	107,669,966	95.85
Total	28,689	100.00	112,336,942*	100.00

Size of Shareholding	Number of shareholders	Per cent of total shareholders	Number of Shares	Per cent of Issued Shares
1 – 100	26,053	90.78	346,881	0.31
101 – 500	1,879	6.55	402,434	0.36
501 – 1,000	316	1.11	225,975	0.20
1,001 – 5,000	341	1.19	737,114	0.66
5,001 – 10,000	41	0.16	281,733	0.25
10,001 and over	59	0.21	110,342,805	98.22
Total	28,689	100.00	112,336,942*	100.00

*Excluding 559,405 ordinary shares held in treasury

Twenty largest shareholders as at 16 February 2001
(representing 96.96 per cent of the Issued Ordinary shares of
112,896,347)

Name	Shares held	Name	Shares held
Depository Nominee, Inc.*	45,993,569	Social Security & National Insurance Trust	178,876
Lonmin Plc	36,000,000	Temple Assets Executor & Trust Co. (PVT) Ltd	163,345
Government of Ghana	21,978,104	AGC Share Incentive Trustee Limited	149,606
Libyan Arab African Investments Company Limited	1,601,309	Gold Coast Securities Limited	87,263
Vidacos Nominees Limited	1,412,110	Teawood Nominees Ltd.	73,650
Chess Depository Nominees Pty Limited	655,574	Clydesdale Bank	60,892
UBS Warburg Australia Equities Ltd.	246,444	Royal Bank of Canada	56,611
The Professional Trust Co. Ltd.	239,999	Derek William Hall Esq	55,550
James Capel (Nominees) Limited	204,685	EBG Stockbrokers Ltd/Adansi Dev. Fund	53,485
Redmayne Nominee Limited	200,000	Raytor & Co	50,751
			109,461,823

* Depository for Global Depository Receipts

Listing of Ordinary Shares

The Company's ordinary shares are listed on the following international stock exchanges and trade under the symbols shown:

Australia	AHA
Ghana	AGC
London	AGLS
New York	ASL (CUSIP # 043743202)
Toronto	AHD.U (CUSIP # 043743202)
Zimbabwe	–

On the Australian Stock Exchange, the shares also trade as CHESS Units of Foreign Securities (CUFS).

The Company's shares are also traded on the London, New York and Toronto stock exchanges by way of a sponsored Global Depositary Receipt (GDR) facility with The Bank of New York as Depositary. The ratio of GDRs to ordinary shares is 1:1. The securities are also traded as ordinary shares on the Ghana and London stock exchanges.

On the Zimbabwe Stock Exchange, the Company's securities are traded by way of a sponsored Zimbabwe Depositary Receipt (ZDR) facility with Temple Assets Executor and Trust Company (Private) Limited as Depositary and are also traded as ordinary shares. The ratio of ZDRs to ordinary shares is 100:1.

Dividend Payments

The Company's ordinary dividends are declared and paid in US dollars to shareholders on the International Register unless they elect to receive them in pounds sterling.

Shareholders on the Australian Register receive their dividends in Australian dollars unless they elect to receive them in US dollars or pounds sterling.

Shareholders on the Ghana Register receive their dividends in Cedis unless they are non-resident and elect to receive them in US dollars or pounds sterling.

Shareholders on the Zimbabwe Register receive their dividends in Zimbabwe dollars.

The exchange rates used to determine the payments in other currencies are as at the dividend record date.

Dividend Mandates

Shareholders who wish to have their dividends paid directly into a bank or building society account should contact their Registrars for a dividend mandate form.

Share Dividend Plan

Shareholders are normally offered the opportunity under the Ashanti Share Dividend Plan to reinvest their cash dividends in the Company's shares. In 1999 a share dividend was offered in respect of the final dividend for 1998. For tax purposes, the cash equivalent value of one new share in respect of the dividend was US\$8.18.

To date the Ashanti Share Dividend Plan has not been offered to shareholders on the Zimbabwe Register because they would be disadvantaged by the significant share price differential between the London and Zimbabwe stock exchanges. The Company is monitoring the share price differential and will offer a share alternative once the differential is considered to be immaterial.

CREST for Ashanti Shares

Ashanti is currently investigating the possibility of implementing a scheme to allow holders of Ashanti shares on its International Register to settle dealings on the London Stock Exchange using the CREST System (the UK settlement system that enables participants to hold and transfer securities in uncertificated form, therefore, eliminating the need to use share certificates or written instruments of transfer).

Under UK law non-UK securities such as Ashanti shares cannot be held and transferred directly in the CREST System. However, a mechanism is being developed to enable shares in foreign companies to be traded through CREST.

Provided that the legal and practical issues surrounding such a scheme allow it to be implemented by Ashanti, an announcement will be made giving details of the scheme in due course.

Shareholder Enquiries:

International Registrars' UK Transfer Office

Capita IRG Plc
Bourne House,
34 Beckenham Road, Beckenham,
Kent BR3 4TU
Telephone: (+44-20) 8639 2000
Fax: (+44-20) 8639 2487

Australian Registrars

ASX Perpetual Registrars Limited
Level 4
333 Collins Street
Melbourne, Victoria 3001
Telephone: (+61-3) 9205 4999
Fax: (+61-3) 9205 4900

Ghana Registrars

Barclays Bank of Ghana Limited
Registrar's Department
High Street
P O Box 2949
Accra
Telephone: (+233-21) 669404
Fax: (+233-21) 667420

Zimbabwe Registrars

Syfrets Corporate and
Merchant Bank
P O Box 2540
Zimbank House
46 Speke Avenue
Harare, Zimbabwe
Telephone: (+263-4) 757471
Fax: (+263-4) 738844

GDR Holder Enquiries:

The Bank of New York
ADR Department
101 Barclay Street, 22nd Floor
New York, NY 10286
Telephone: (+1-212) 815 5133
Fax: (+1-212) 571 3050

Corporate Office

S E Jonah *
*Chief Executive and
 Group Managing Director*

Mrs M Botsio-Phillips *
General Counsel

Mrs E D Ofori Atta *
*Executive Director,
 Corporate Relations*

T S Schultz *
Chief Operating Officer

S Venkatakrishnan *
Chief Financial Officer

E Abankroh *
Company Secretary

M A Ahorney
Group Budget & Planning Manager

J K Anaman *
Managing Director, Public Affairs

K Awotwi *
*Managing Director,
 Strategic Planning & New Business Development*

M. Arnesen
Managing Director, International Treasury

A Darko *
*Managing Director,
 Information Systems & Telecoms*

E Dwomoh-Appiah
Group Manager, Properties

A de Freitas
Group Mining Engineer

E Harlley *
Group Manager, Internal Audit

E Twum-Barimah
Group Human Resources Co-ordinator

J E McGinley
Group Health & Safety Co-ordinator

S Okrah
Corporate Executive, Industrial Relations

G Potter *
Managing Director, Group Metallurgy

G Townsend
Group Financial Controller

K Tshribi
General Manager, Legal

Bibiani Mine

D M A Owiredu
Managing Director

Freda-Rebecca, Zimbabwe

A Ntini
Managing Director

K Akosah-Bempah
Finance Director

Geita, Tanzania

H Michael
Managing Director

O Majuru
Finance Director

Iduapriem Mine

B Horochuck
Managing Director

Obuasi and Ayanfuri Mines

A Dods
Managing Director

M K Mracek
Deputy Managing Director

G Kessie
Financial Controller

J A Amanor
Senior Manager, Geology

Mrs E Kwami
General Manager, Human Resources

S Oti-Attakorah
General Manager, Processing

S Oti-Brako
General Manager, Mining

J Y Timbilla
General Manager, Projects

P Enimil
General Manager, Ayanfuri

Siguiri, Guinea

I Danso
*Directeur Générale and Managing Director,
 Société Ashanti Goldfields de Guinée*

P Davies
Deputy Managing Director, Siguiri

Ashanti Exploration

P N Cowley *
Managing Director

*Member of the Chief Executive's Committee

Ashanti Goldfields Company Limited

(Registered in Ghana No. 7094) (ARBN 074 370 862)

Notice is hereby given that the twenty-eighth Annual General Meeting of Ashanti Goldfields Company Limited will be held at the Len Clay Stadium, Obuasi, Ghana on Wednesday 25 April 2001 at 11.00 a.m. to transact the following business:

Ordinary Resolutions*Ordinary Business*

1. To receive and consider the reports of the directors and auditors and the accounts for the year ended 31 December 2000.
2. To re-elect as a director Mr M E Beckett who is retiring by rotation.
3. To re-elect as a director Mrs M Botsio-Phillips who is retiring by rotation.
4. To re-elect as a director Mrs E D Ofori Atta who is retiring by rotation.
5. To re-elect as a director Mr T S Schultz who is retiring by rotation.
6. To elect Mr J N Robinson who was appointed by the Board, as a director, since the last General Meeting.
7. To authorise the directors to determine the fees of the Company's auditors, Deloitte & Touche.

Special Business

8. THAT the directors be and are hereby generally and unconditionally authorised pursuant to Section 202(1) of the Companies Code, 1963 (Act 179) to exercise all the powers of the Company to allot and issue:
 - (a) ordinary shares in connection with any option scheme or share scheme for directors and/or employees approved or adopted by the members in General Meeting,
 - (b) up to 38,000,000 ordinary shares without offering such shares to existing shareholders in accordance with the provisions of sub-paragraph (b) of the said Section 202(1) PROVIDED that this authority shall be limited so that, otherwise than pursuant to the authority referred to above and a rights issue or similar offer where shares or other securities are offered to ordinary shareholders and such holders of other securities of the Company as the directors may determine on a fixed record date in proportion (as nearly as may be) to their then holdings of securities or in accordance with the rights attached thereto (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions, obligations or practical problems arising from or under the laws or the requirements of any territory or of any recognised regulatory body or stock exchange or otherwise howsoever) the aggregate number of shares to be issued for cash by the directors pursuant to the authority contained in this sub-paragraph (b) shall not in aggregate exceed 5,600,000 ordinary shares and such authority (unless previously revoked or renewed) shall expire on 24 July 2002 or the conclusion of the next Annual General Meeting of the Company (whichever is the earlier) save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the directors may allot and issue shares in pursuance of such offer or agreement as if the said authority had not expired.
9. THAT subject to the passing of Resolution 8 above the provisions of Section 202(2) of the Companies Code, 1963 (Act 179) be and are hereby disapplied in connection with: (i) any issue of shares pursuant to the authorities conferred by Resolution 8 above; and (ii) any issue of treasury shares.
10. THAT
 - (a) the AGC Senior Management Share Option Scheme ("Share Option Scheme") (the main features of which are summarised in Appendix 1 to the Chairman's letter to shareholders dated 21 March 2001 and the rules of which are produced to the meeting and for the purposes of identification initialled by the Chairman) be and is hereby re-adopted (as amended) and the directors from time to time be and they are hereby (i) authorised to do all such acts and things as may be necessary or expedient to carry the same into effect, including making such modifications to the rules as may be necessary to ensure compliance with any statutory, fiscal or securities regulations as may apply to the Share Option Scheme or any participant therein; and (ii) authorised and entitled to participate in such plan on terms determined from time to time by the Management Development and Remuneration Committee of the Board (the "Committee");
 - (b) the 1994 AGC Employee Share Scheme ("Employee Share Scheme") (the main features of which are summarised in Appendix 2 to the Chairman's letter to shareholders dated 21 March 2001 and the rules of which are produced to the meeting and for the purposes of identification initialled by the Chairman) be and is hereby re-adopted (as amended) and the directors from time to time be and are hereby (i) authorised to do all such acts and things as may be necessary or expedient to carry the same into effect, including making such modifications to the rules as may be necessary to ensure compliance with any statutory, fiscal or securities regulations as may apply to the Employee Share Scheme or any participant therein and to make payments to any trustee in connection with the operation of such plan; and (ii) authorised and entitled to participate in such plan on terms determined from time to time by the Committee; and

- (c) the Ashanti Long Term Performance Plan (the “Long Term Performance Plan”) (the main features of which are summarised in Appendix 3 to the Chairman’s letter to shareholders dated 21 March 2001 and the rules which are produced to the meeting and for the purposes of identification initialled by the Chairman) be and is hereby approved and the directors from time to time be and are hereby (i) authorised to do all such acts and things as may be necessary or expedient to carry the same into effect, including making such modifications to the rules as may be necessary to ensure compliance with any statutory, fiscal or securities regulations as may apply to the Long Term Performance Plan or any participant therein; and (ii) authorised and entitled to participate in such plan on terms determined from time to time by the Committee.

Special Resolution

11. THAT the Company be and it is hereby unconditionally authorised to exercise all the powers of the Company to make market or off market purchases of the Company’s ordinary shares up to an aggregate of 12,000,000 ordinary shares at a price per share (exclusive of expenses) of not more than 5 per cent above the average of the respective middle market quotations for the shares as derived from the Daily Official List of the London Stock Exchange for the 5 business days before the purchase is made, such authority (unless previously revoked or renewed) shall expire on 24 July 2002 or at the conclusion of the next Annual General Meeting of the Company (whichever is the earlier) save that the Company may before such expiry enter into a contract to purchase shares which would or might require to be executed wholly or partly after such expiry and may make a purchase of shares pursuant to such contract as if the said authority had not expired.

By order of the Board

Registered Office
Gold House
Patrice Lumumba Road
Roman Ridge
PO Box 2665
Accra

Ernest Abankroh
Secretary

12 March 2001

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. Completion and return of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board, must be deposited at the offices of the Company’s Registrars in Ghana, Barclays Bank of Ghana Limited, High Street, PO Box 2949, Accra, Ghana or at the UK Transfer Office of the Company’s International Registrars, Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU, UK or at the offices of the Company’s Registrars in Australia, ASX Perpetual Registrars Limited, Level 4, 333 Collins Street, Melbourne, Victoria 3001, Australia or at the offices of the Company’s Registrars in Zimbabwe, Syfrets Corporate and Merchant Bank, 1st Floor, 99 Jason Moyo Avenue, PO Box 2540, Harare, Zimbabwe, not less than 48 hours before the time appointed for holding the meeting.

FAILURE TO DEPOSIT THE FORM OF PROXY AS REQUIRED WILL RESULT IN THE PROXY NOT BEING ADMITTED TO, OR PARTICIPATING IN THE MEETING.
3. In the case of joint registered holders of any share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.
4. Copies of the directors’ service agreement of more than one year’s duration will be available for inspection during business hours at the Company’s registered office and the UK Transfer Office referred to in Note 2 above from the date of this Notice and at the Len Clay Stadium, Obuasi, Ghana from 10.00 a.m. on 25 April 2001 until the conclusion of the Annual General Meeting.

5. It is proposed by Resolution 8 to enable the directors to allot unissued and uncommitted share capital of the Company amounting to 38,000,000 Ashanti shares (representing approximately one-third of the current issued share capital of the Company) until 24 July 2002 or the conclusion of the next Annual General Meeting (whichever is the earlier). This Resolution is proposed so as to give the directors the necessary flexibility to take advantage of business opportunities as they arise. The directors, other than in connection with option schemes or share plans, have no present intention of using this authority which renews an existing authority given to them each year.

It is also proposed by Resolution 8 to empower the directors to allot equity securities for cash without first offering them to existing shareholders in proportion to their holdings, subject to a maximum of 5,600,000 Ashanti shares representing approximately 5 per cent of the current issued share capital. The directors, other than in connection with option schemes or share plans, have no present intention of using this authority which replaces the equivalent resolution passed at the last Annual General Meeting and will expire on 24 July 2002 or at the conclusion of next year's Annual General Meeting (whichever is the earlier). This Resolution is proposed so as to give the directors the necessary flexibility to take advantage of business opportunities as they arise and the 5,600,000 ordinary shares limit for issues of shares for cash ensures that existing shareholders' interests are protected.

6. Regarding Resolution 10, copies (subject to modification) of the draft rules of the AGC Senior Management Share Option Scheme, the AGC 1994 Employee Share Scheme (both as proposed be amended) and the Ashanti Long Term Performance Plan will be available for inspection at the Company's registered office, Barclays Bank of Ghana Limited, Registrar's Department, High Street, P.O. Box 2949, Accra at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN, UK and at the Transfer Office of the Company's International Registrars, IRG plc, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 3TU from the date of this Notice until the date of the Annual General Meeting and at the Len Clay Stadium, Obusai, Ghana from 10.00 a.m. on 25 April 2001 until the end conclusion of the meeting.
7. It is proposed by Resolution 11 to renew the Company's authority to purchase its own issued shares at a price which is not more than 5 per cent (exclusive of expenses) above the average of the market values of Ashanti shares taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made. The authority will be for the purchase of a maximum of 12,000,000 Ashanti shares (approximately 10 per cent of the Company's current issued share capital) and will expire on 24 July 2002 or at the conclusion of next year's Annual General Meeting (whichever is the earlier). It is presently intended that a resolution for its renewal will be proposed at each succeeding Annual General Meeting. The Company will continue to make purchases when it considers appropriate although no purchases will be made unless the effect will be to increase expected earnings per share and such purchases would be in the best interests of shareholders generally.

This annual report contains a number of statements relating to future results of Ashanti that are considered “forward looking statements” as defined in the Private Securities Litigation Reform Act 1995 of the United States of America. Statements that are not historical facts, including statements about our beliefs and expectations, are forward looking statements. Such statements may include statements regarding future plans, objectives or goals, anticipated production or construction commencement dates, construction completion dates, expected costs or production output and the anticipated productive lives of mines.

These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Ashanti can give no assurances that such results, including the actual production or commencement dates, construction or completion dates, costs or production output or anticipated lives of the projects and mines discussed will not differ materially from the statements contained in the annual report. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Ashanti, which may cause actual results to differ materially from those expressed in the statements contained in this annual report. For example, future revenues from projects or mines described herein will be based in part upon the market price of gold, which may vary significantly from current levels. Such variations, if materially adverse, may impact the timing or feasibility of the developments of a particular project or the expansion of specified mines.

Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of mines include the ability to profitably produce and transport gold extracted therefrom to applicable markets, the impact of foreign currency exchange rates on market prices of gold and activities by governmental authorities where such projects or mines are being explored or developed, including increases in taxes, changes in environmental and other regulations and political uncertainty.

Forward looking statements speak only as of the date they are made, and Ashanti undertakes no obligation to update publicly any of them in light of new information or future events.

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