

ANGLOGOLD NORTH AMERICA

CRESSON MINE EXPANSION October 4, 2001

Note: Currency references are in US\$

Tonnage references are in tonnes

Grade references are in troy ounces per tonne

LOCATION



EXPANSION SUMMARY



The expansion proposes to exploit an ore reserve base of 4,01 MM recoverable ounces of gold over an 11 year life-of-mine.

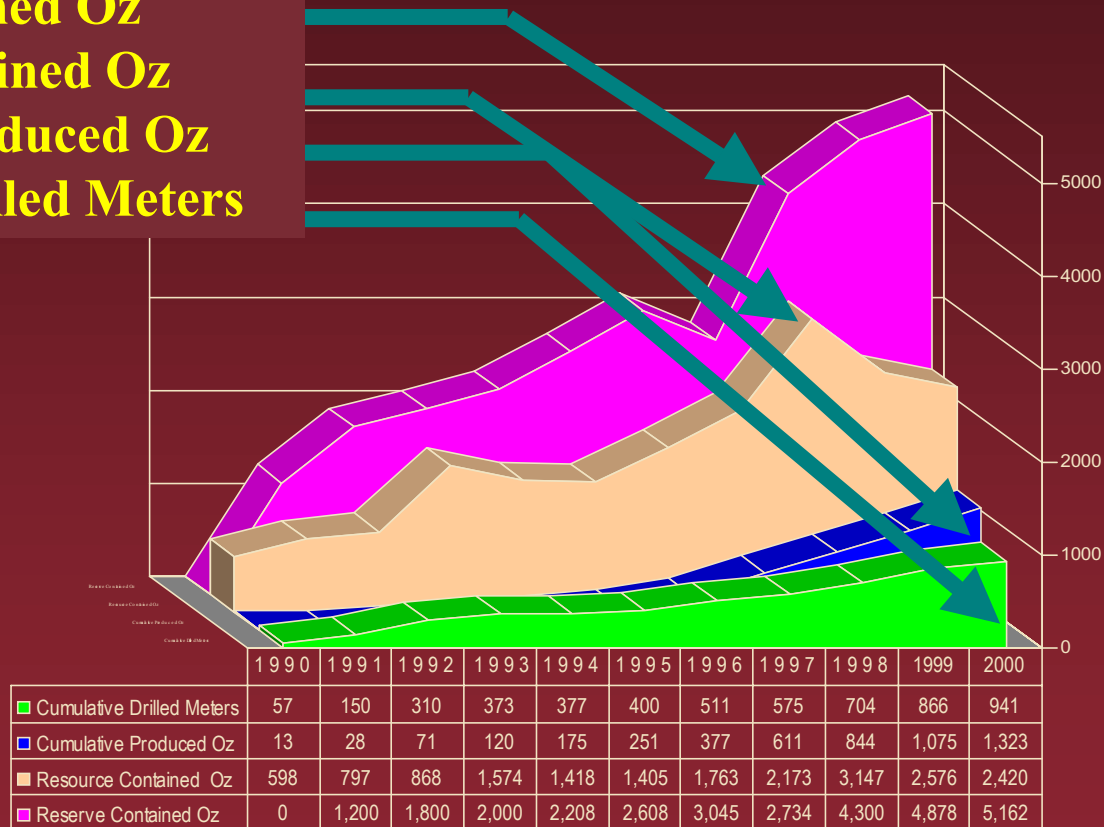
| <u>AREA</u> | <u>PRESENT PER ANNUM</u> | <u>PROPOSED PER ANNUM</u> |
|----------------------------|---|--|
| Mine: | 28,1 MM total tonnes mined | 52,1 MM total tonnes mined |
| Process | 9,8 MM total tonnes crushed 10,7 MM total tonnes processed | 18,1 MM total tonnes crushed 18,1 MM total tonnes processed |
| Gold Production over life: | 1,32 MM ounces | 4,13 MM ounces |

DISTRICT ORE RESERVE GROWTH HISTORY



Reserve Gold Price: 1996 - \$400, 1997- \$335, 1998 - \$290, 1999 - \$300, 2000 - \$300

Reserve Contained Oz
 Resource Contained Oz
 Cumulative Produced Oz
 Cumulative Drilled Meters



Inferred resources not included above. 1999 - 2,410 MM contained ozs. 2000 - 2,886 MM contained ozs.

RESERVE – RESOURCE CONVERSION



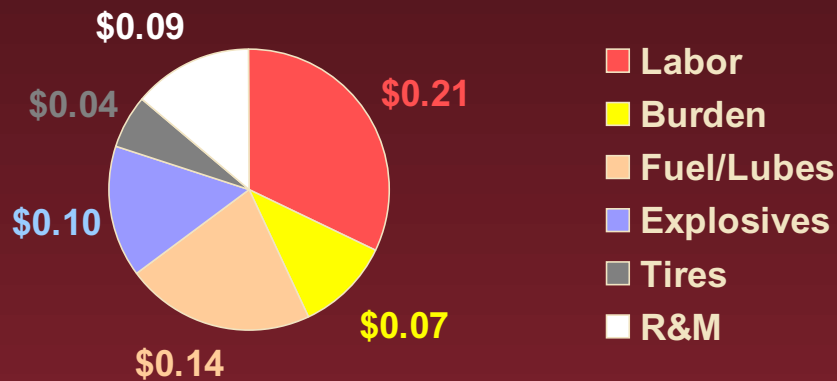
| | | |
|---|-------------------------------|---------------------------------|
| 2002 Production (Pt. Fwd. 1/1/2002) | 179,3 MM tonnes | 5,95 MM Cont. Ozs |
| <u>Mid-year 2001 Reserve (P&P)</u> | <u>147,2 MM tonnes</u> | <u>5,15 MM Cont. Ozs</u> |
| Required Reserve Conversion | 32,2 MM tonnes | 0 ,80 MM Cont. Ozs |

Mid-year 2001 M, I & I resource (net) 87,8 MM tonnes 2,64 MM Cont. Ozs

Plan requires 30% resource ounce conversion to reserve.

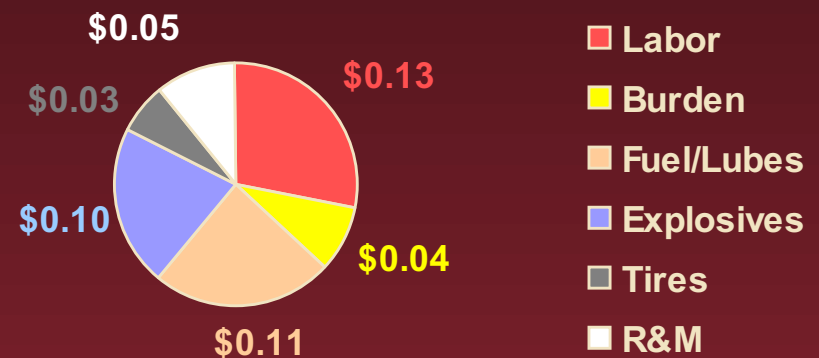
MINE OPEX US\$ PER TONNE

Base Case



Total \$0.65 per tonne

Expansion Case



Total \$0.46 per tonne

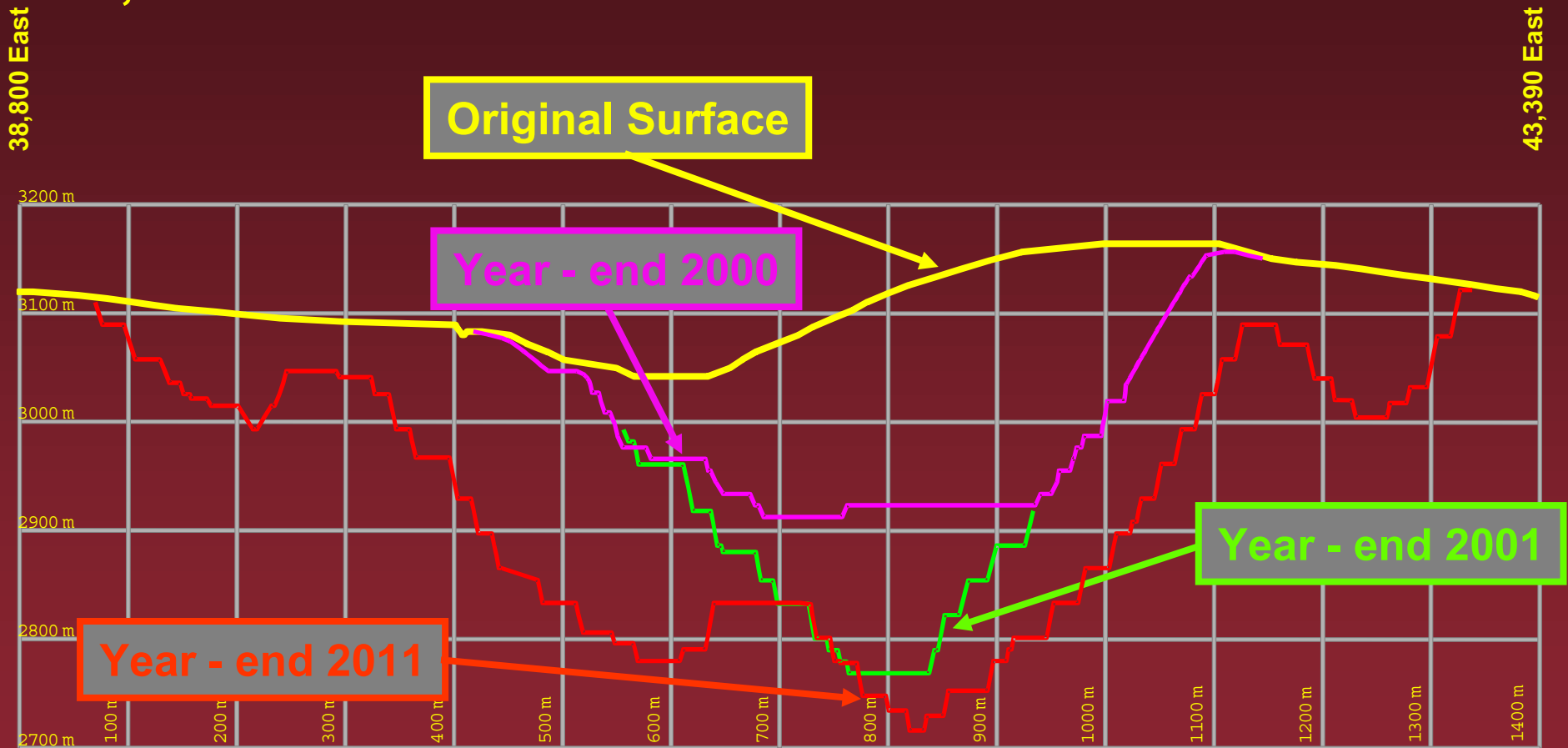
- Unit mine costs improve by conversion to 20 and 30 m³ front shovels (3), 260 tonne haul trucks (8), 10,7 m single-pass blasthole drills (4)
- Expansion assumes US\$ 0.85 per gallon diesel fuel

HAUL TRUCKS



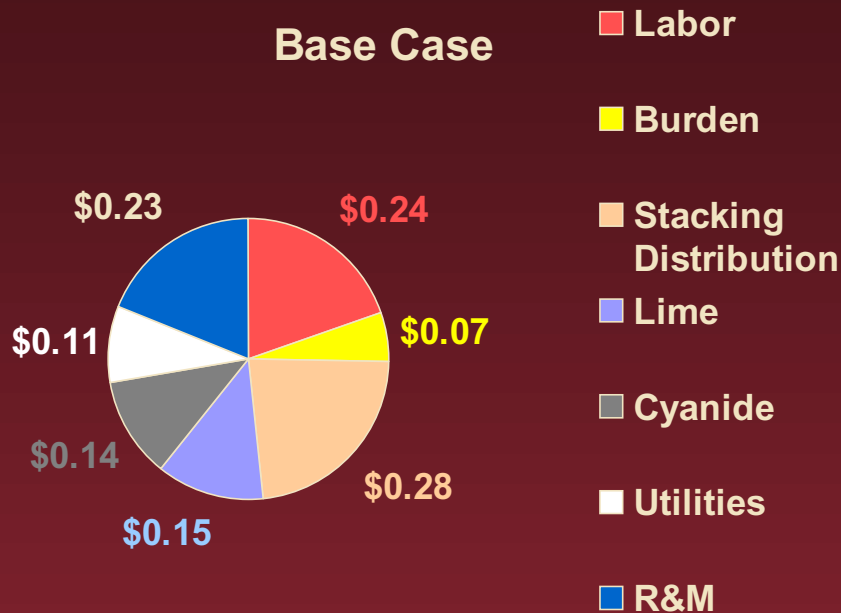
MINE OPERATIONS

Main Cresson Mine East- West Cross Section on 54,000 North



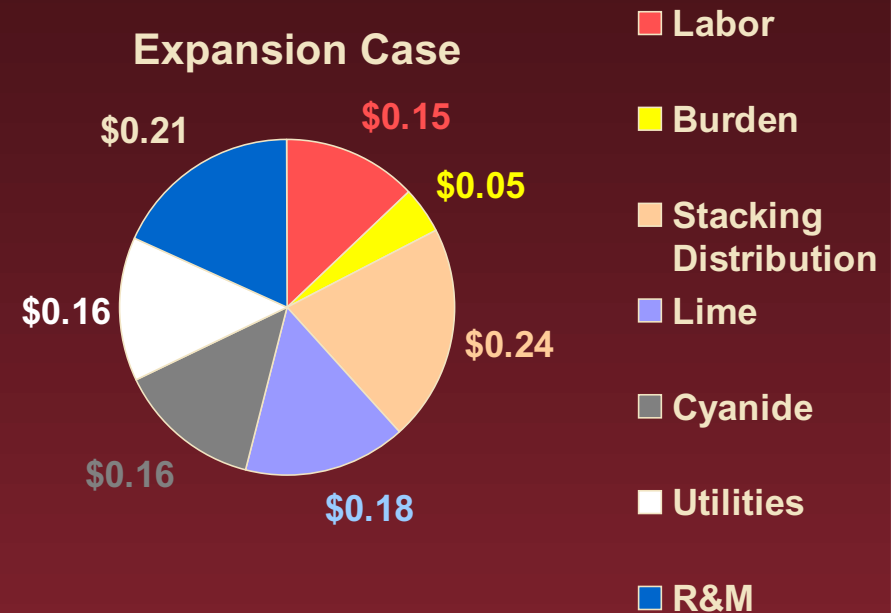
PROCESS OPEX US\$ PER TONNE

Base Case



Total \$1.22 per tonne

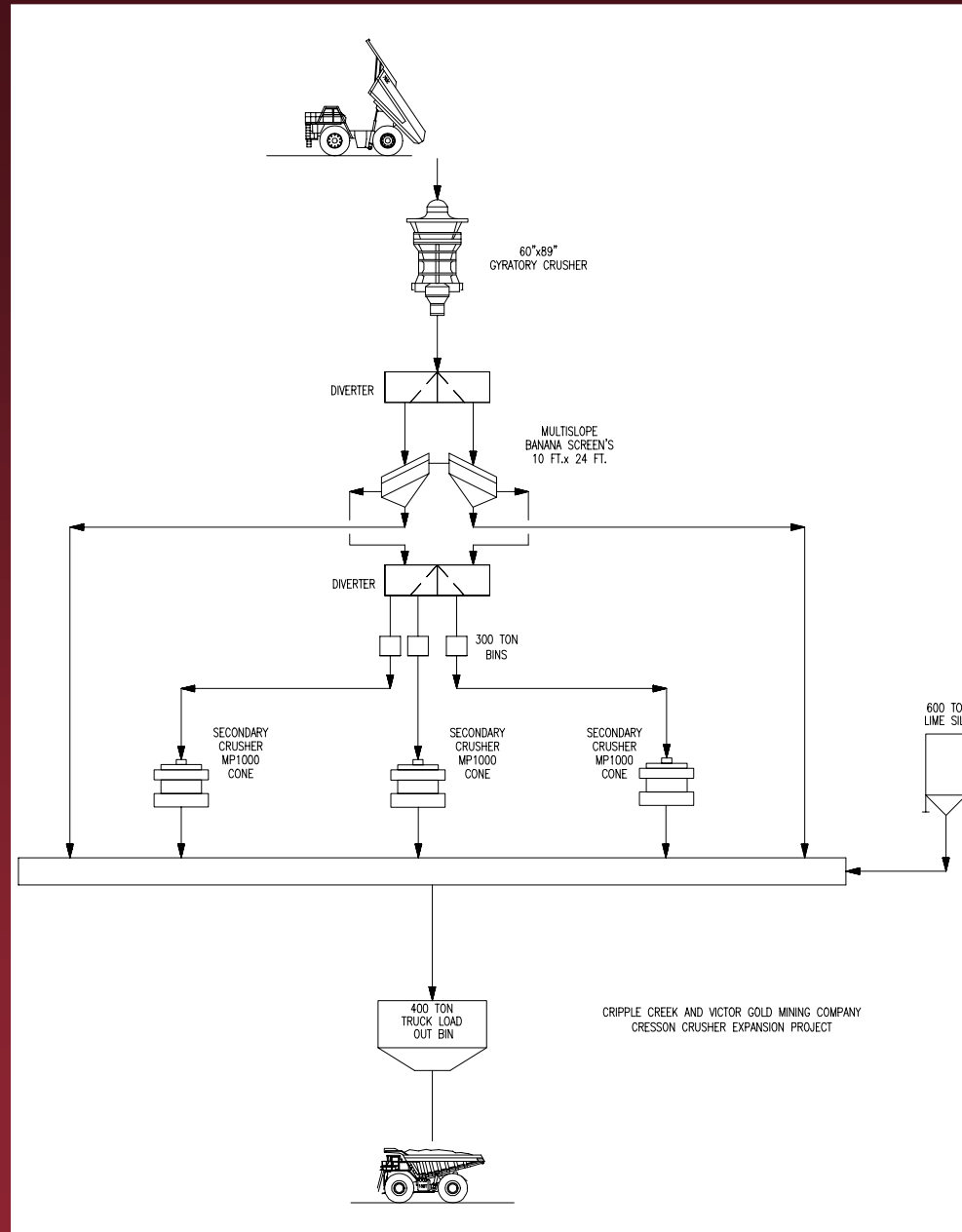
Expansion Case



Total \$1.16 per tonne

- Unit process costs improve by addition of new 18,1 MM ore tonne per year crushing plant
- Expansion assumes US\$ 0.04 per kwhr electric cost

CRUSHER FLOW SHEET

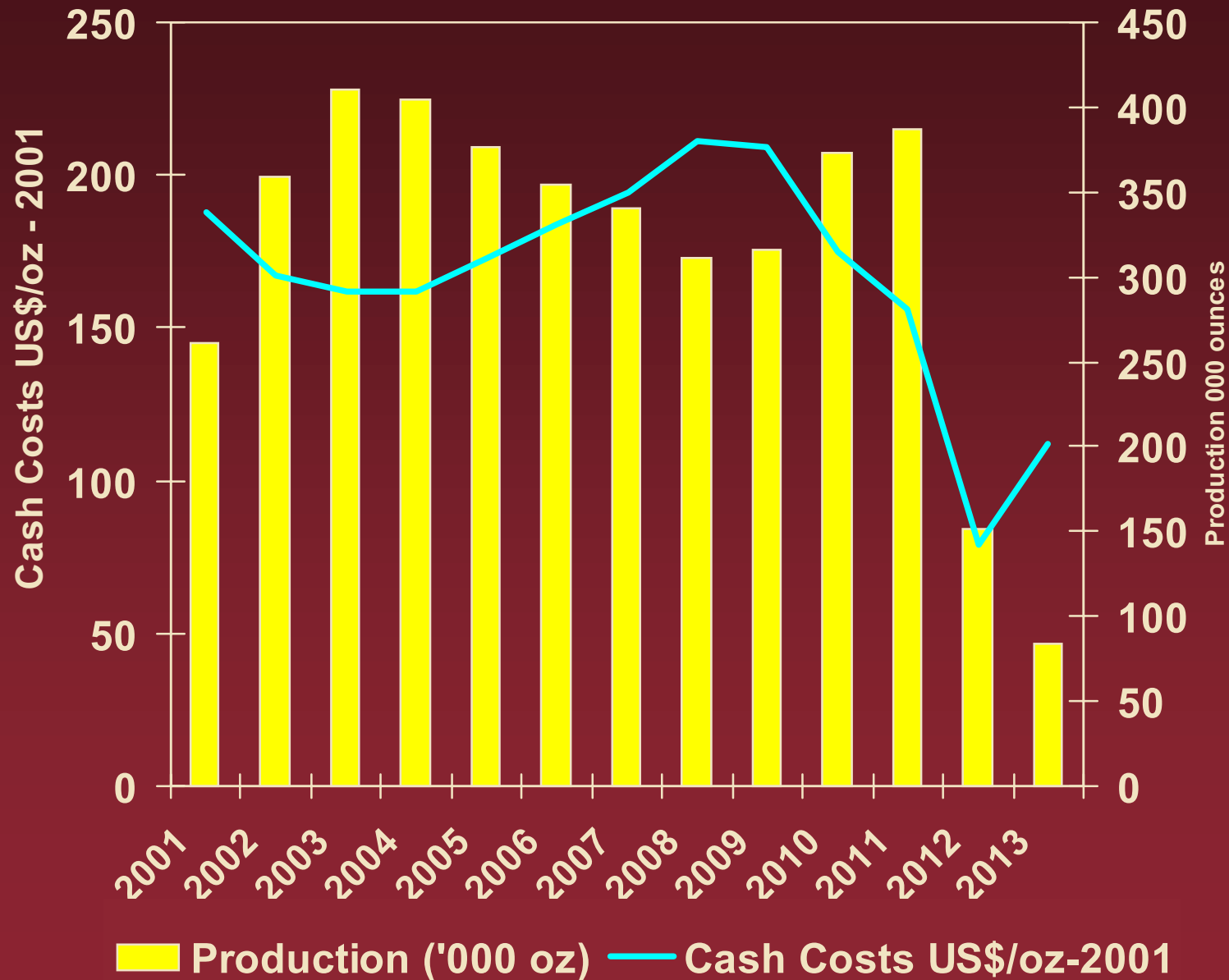


ECONOMIC EVALUATION

REAL LOM ECONOMIC EVALUATION RESULTS

| Case | Produced Ounces (Million) | IRR | Cash Cost/oz |
|-------------------------|---------------------------------|-----|--------------|
| Base (1) | 1,32 | N/A | US\$227 |
| Full Expansion (2) | 4,13 | N/A | US\$174 |
| Incremental Value (2-1) | 2,81 | 27% | (US\$ 53) |

LOM PRODUCTION AND CASH COSTS



LOM CAPITAL COST



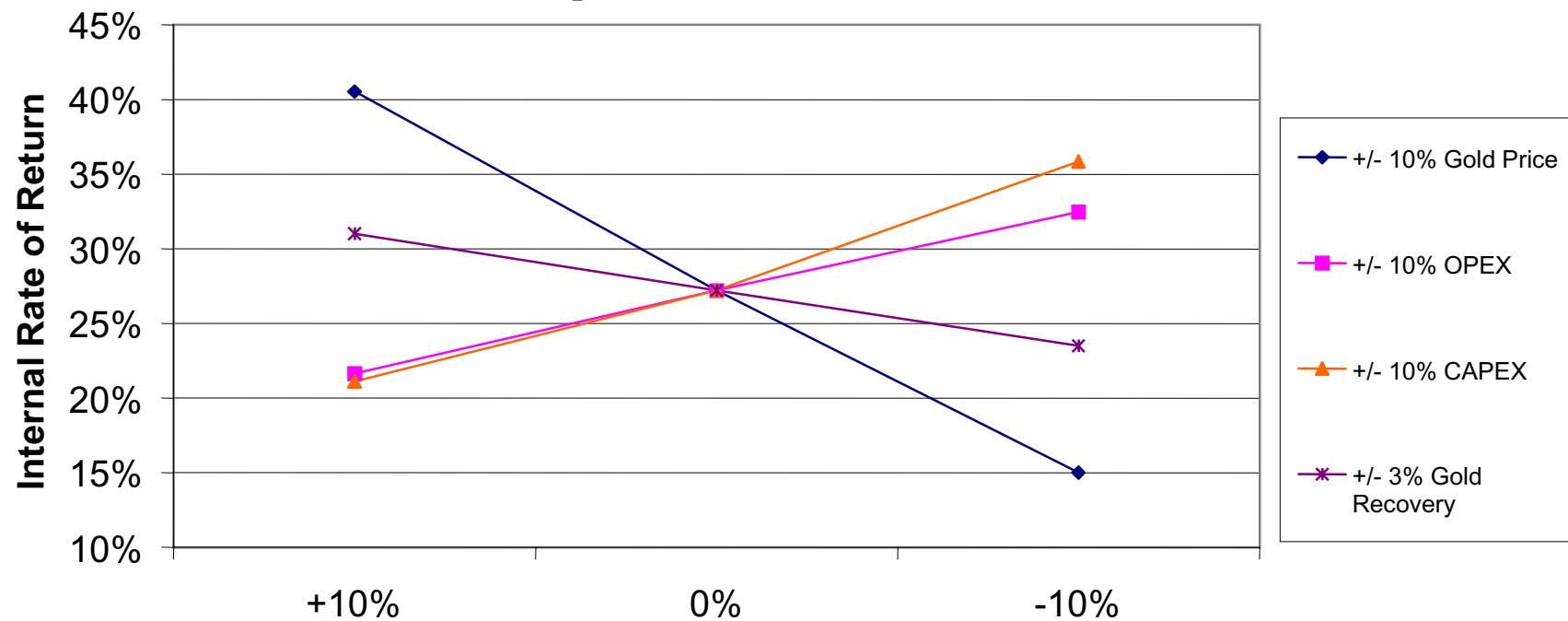
LOM PROJECT CAPITAL REQUIREMENTS (REALS)

| Capital Element | Sustaining | Expansion | Technical Definition |
|-------------------------|-----------------|----------------|----------------------|
| Mine Operations | \$ 38,0 | \$ 8,1 | III |
| Mine Maintenance | \$ 1,3 | \$ 0,3 | III |
| Process Operations | \$ 1,9 | | III |
| Process Maintenance | \$ 0,8 | | III |
| Administration | \$ 2,8 | | III |
| Exploration | \$ 7,0 | | III |
| Technical Services | | \$ 1,3 | III |
| Land Acquisition | \$ 1,2 | \$ 0,3 | II |
| Permit Engineering | | | III |
| Community / Historical | \$ 0,6 | | III |
| Highway Relocation | \$ 14,2 | | III |
| Offices and Buildings | \$ 9,7 | | II |
| Pumping System Upgrades | \$ 1,2 | | II |
| ADR Modifications | \$ 1,6 | | II |
| Second CIC Plant | \$ 9,9 | | II |
| New Crushing Plant | | \$ 43,3 | II |
| Leach Pad Phase IV | \$ 31,3 | \$ 7,1 | II/III |
| PSSA / External Pond | \$ 3,7 | | III |
| Utilities | \$ 1,5 | \$ 1,3 | III |
| Project CM | \$ 2,0 | \$ 3,1 | III |
| TOTAL | \$ 128,7 | \$ 64,8 | \$ 193,5 |

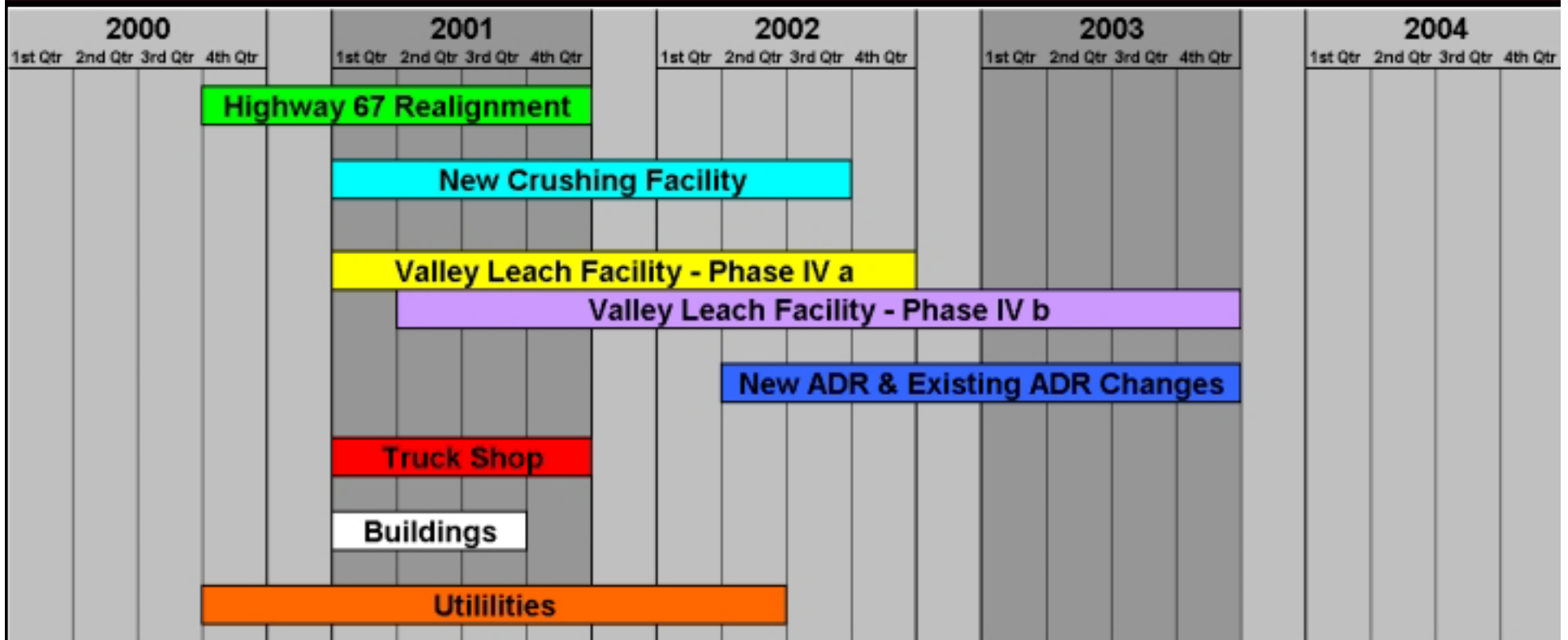
IRR SENSITIVITIES, EXPANSION CASE

Cresson Mine Expansion Project Sensitivity Plot

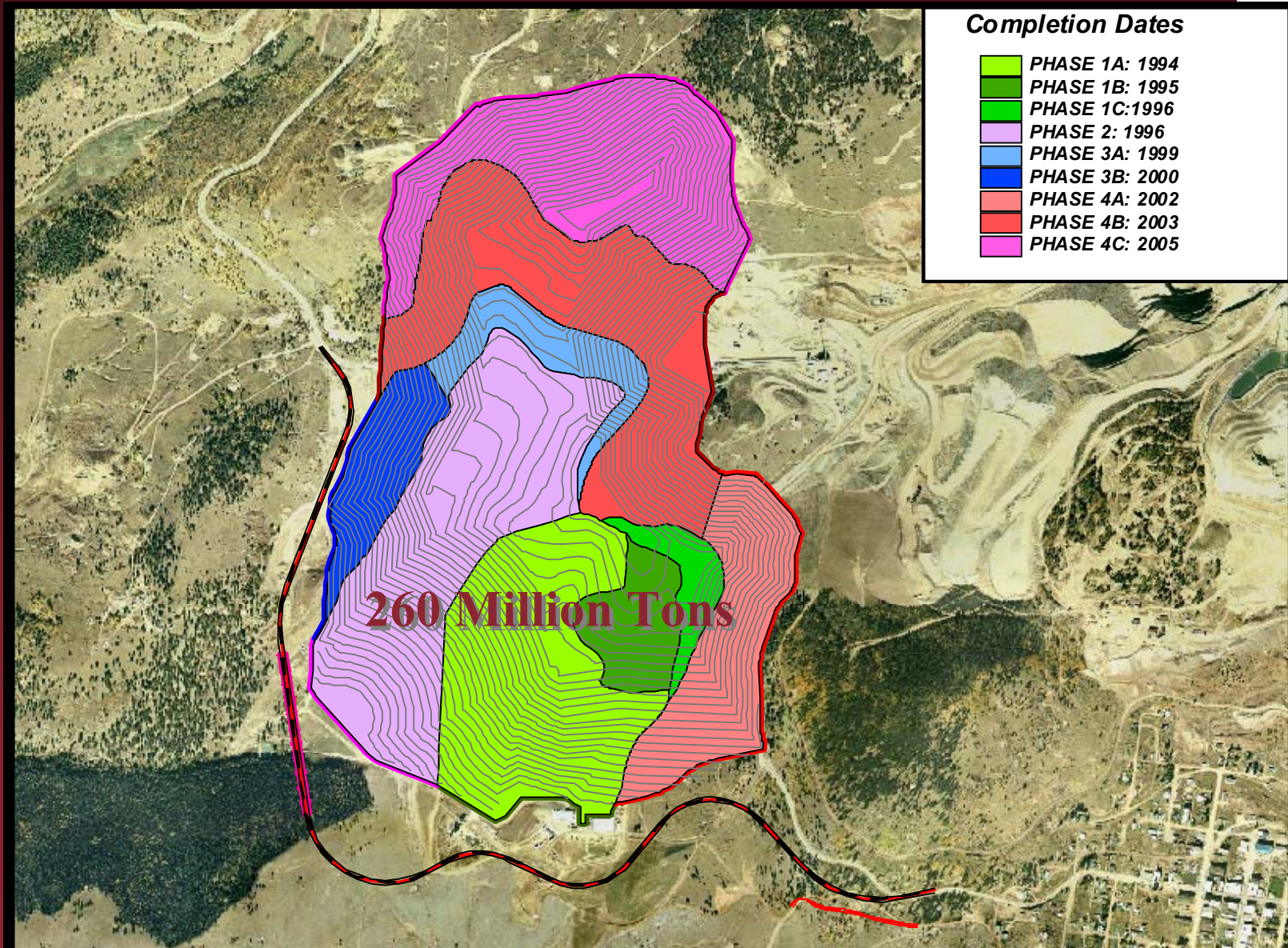
Expansion versus Base Case



TIMETABLE OF KEY EVENTS



VLF EXPANSION SCHEDULE



LOM CRESSON MINE 2001



LOM CRESSON MINE 2002



LOM CRESSON MINE 2004



LOM CRESSON MINE 2006



LOM CRESSON MINE 2008



LOM CRESSON MINE 2010



LOM CRESSON MINE 2012



LOM CRESSON MINE 2020



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