

The logo consists of the word "anglogold" in a sans-serif font. "anglo" is white and "gold" is yellow. A faint, dark red silhouette of a lion is visible in the background, with a red vertical line passing through its body.

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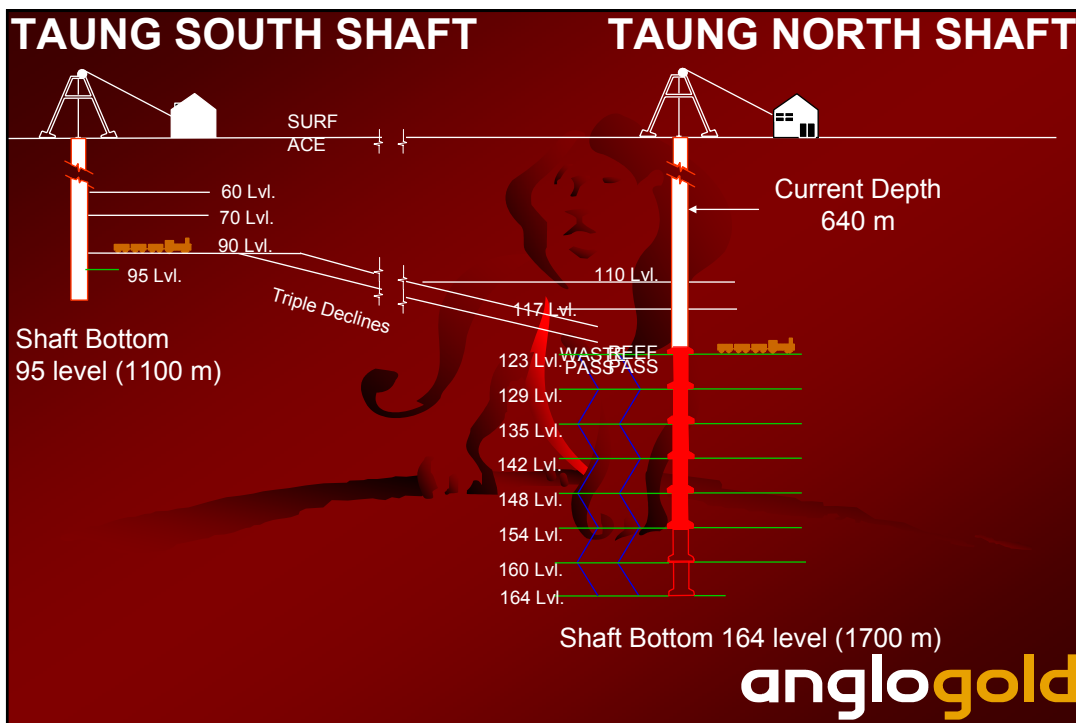
JOEL MINE

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JOEL MINE

**TAUNG NORTH SHAFT
SINKING PROJECT**

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RESERVES (as per Australian definition)

Inferred Resource
22, 6 mill. tons
6.6 g/t

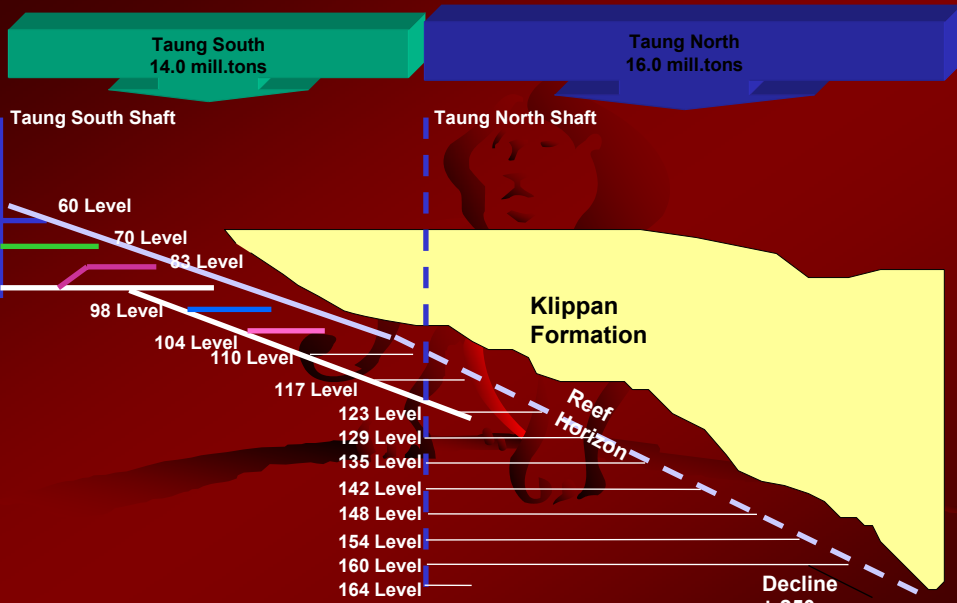
Indicated Resource Reserves
1, 1 mill.tons
8.0 g/t

Measured Resource Reserve
3, 2 mill.tons
7.9 g/t

Probable
1.0 mill.tons
9.3 g/t

Proven
2, 5 mill.tons
9.4 g/t

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JOEL MINE

Schematic Plan Showing Klippan Channel
as at June 1996

16 mill. tons

14 mill. tons

Klippan Channel

Taung North

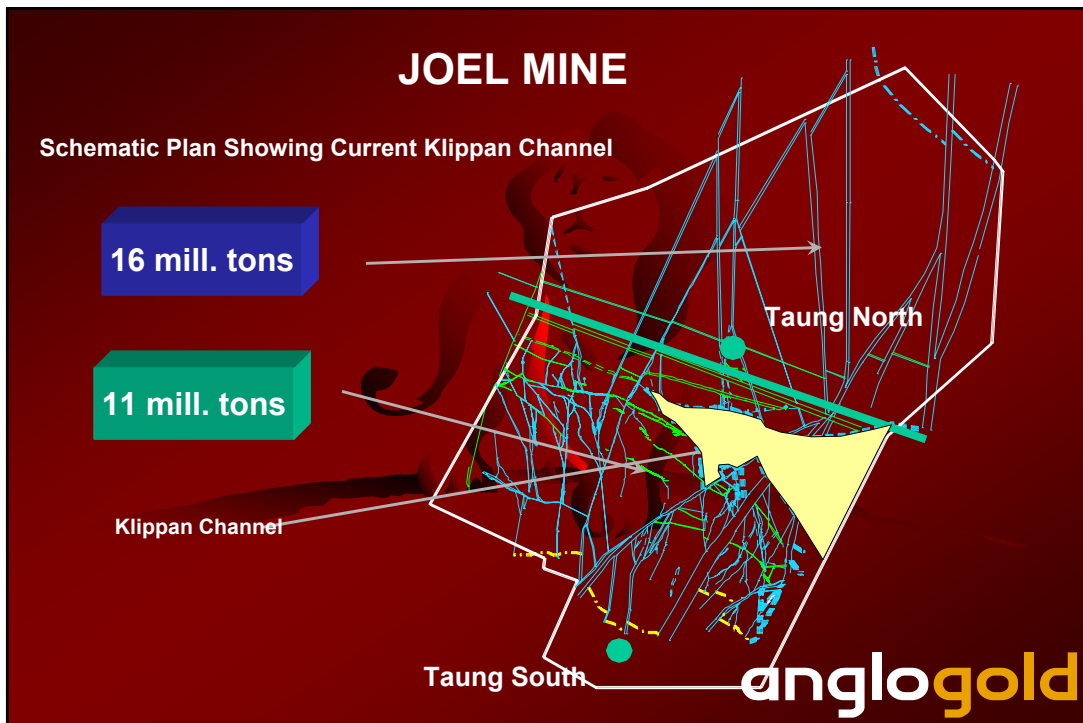
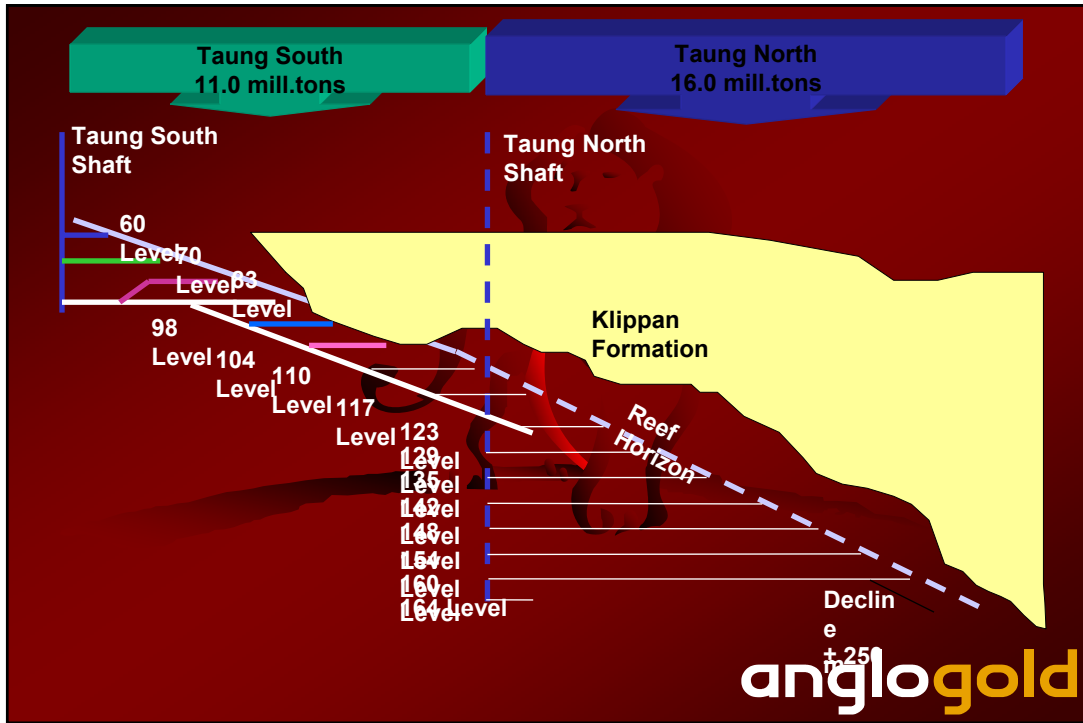
Taung South

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PROJECT STATUS

- Decision to proceed with project - April 1996
- Taung North shaft sink commenced - June 1996
- Anticipated Commissioning Date - Dec 2001
- Cost to completion - R 530 million
 - Expenditure to June 1998 - R 167 million
- Planned depth - 1 700 m
 - Current Depth - 640 m

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THE EFFECT OF KLIPPAN

- Reduced mining flexibility at the current mine
- Delayed production increase to 150 000 tons per month
- Reduced operating profit expectations
- Increased exploration development
- Need to re-align capital expenditure program

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OPTIONS AVAILABLE

- Bring shaft commissioning date forward by sinking to 148 level
- Open inter-level spacings
- Introduce mid shaft loading facility during the sinking phase

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ADVANTAGES

- Earlier access to ore reserves from Taung North Shaft
- Increased mining flexibility
- Would allow production to build up to 150 000 tpm
- Reduced working costs
- Reduced capital expenditure

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DISADVANTAGES

- The Shaft will only access 95 % of the Taung North Shaft reserves
- A longer decline would be required in year 2015 to access the remaining reserves
- Reduced mining efficiency near end of project life

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CONCLUDING COMMENTS

- The Klippan 'washout zone' has significantly affected the short term mineable reserve at the current mine, and is influencing the thinking around the Taung North Shaft Project.
- Decisions on the project configuration will need to be made in the near future, evaluation work is under way.
- Currently the project is running well and is on schedule.

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