

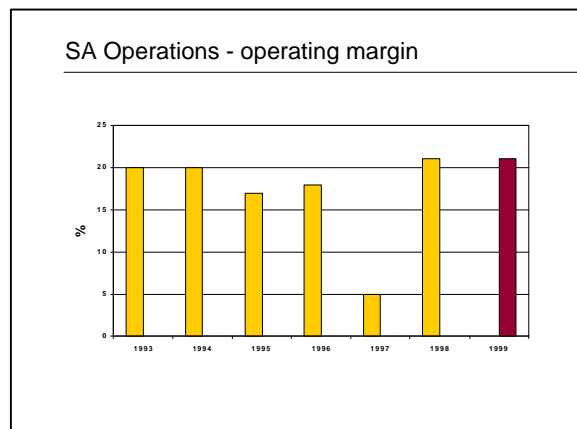
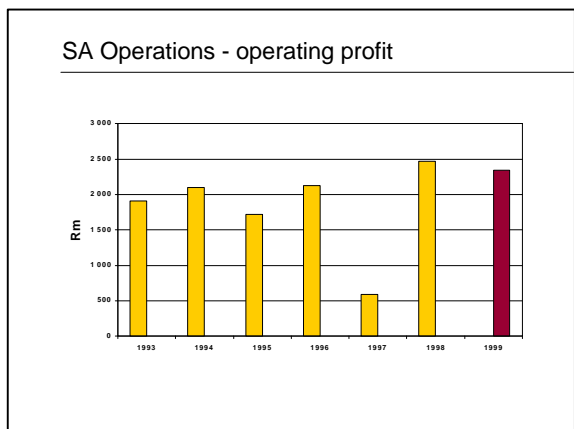
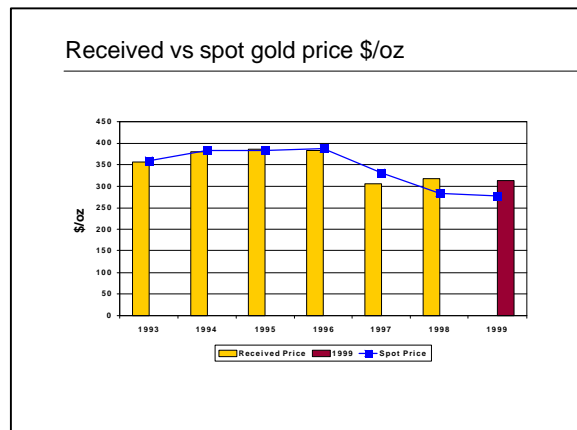
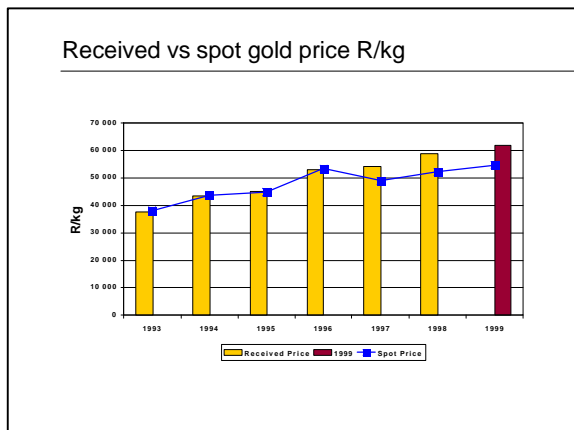
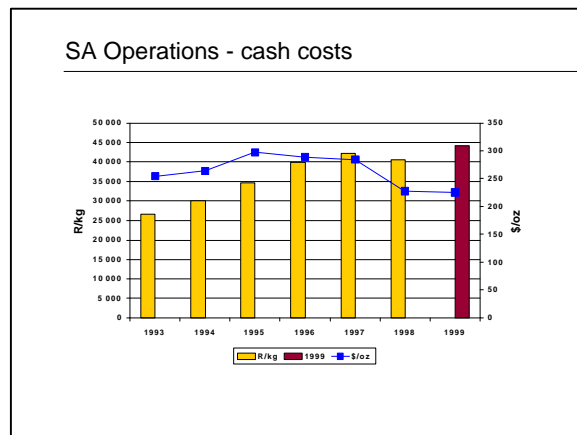
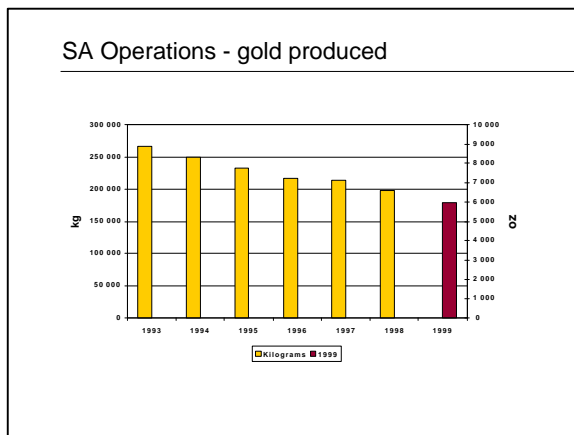
A REVIEW OF ANGLOGOLD'S SOUTH AFRICA DIVISION

FIRST QUARTER 2000

Background

When the current management team assumed responsibility for Anglo American's South African gold assets in 1997, many of these operations were well past their natural life expectancy and were kept running more on the basis of the size of their infrastructure, production capacity and capital programmes, than the value they contributed to the bottom line.

The following graphs illustrate the declining reserves of the South African operations over the period from 1993 to 1999 and the increasing cash costs. These outstripped the beneficial effect of an increasing rand gold price received, causing a decline in operating profit and a margin squeeze between 1993 and 1997.



At that time, AngloGold management publicly set itself productivity goals and hurdle rates for new acquisitions and capital projects, and criteria for the assessment of the performance of its existing assets. This immediately disqualified 24 shafts from the company's suite of South African operations and these assets were either sold or tributed, as detailed in the table below:

Asset disposals

Shaft	Nature of Disposal	Date of Disposal	1996 (kg)
Free State Saaiplaas 1,2&3	Sale to Harmony	April 1997	3 523
Vaal Reefs 1,3,4,5,6&7	Sale to ARM	January 1998	13 322
Vaal Reefs 2	Tribute to ARM	January 1998	5 928
Freddies 7&9	Sale to Kades Barnea	March 1998	2 008
President Steyn 1&2	Sale to Kades Barnea	April 1998	5 174
President Steyn 5,6,7	Sale to Harmony	May 1998	13 128
Western Holdings 1,2,3,4,6,7	Sale to ARM	September 1998	12 309
Masimong	Sale to Harmony	September 1998	5 347
Total			60 739

Gold production from the South African operations for the March quarter 2000 was 1.492 tonnes lower than the last quarter of 1999, which was a disappointment for AngloGold. Although there was an improvement in rand denominated cash costs, which decreased from R47 300 per kilogram to R46 900 per kilogram, the aggregate performance of the division over this period has been poor.

Looking forward to the rest of the year, we have decided to reduce our gold production target for 2000 by 4%, or 7 tonnes of gold. We will deal with the reasons for this reduction in production later. Where the causes arise from the age of the operations, these operations will be rationalised to reasonable and profitable operating levels. Where we have made mistakes, we will fix them. Costs will be reduced proportionately to decreased production.

When we concluded our first longer-term, productivity-linked pay deal with the unions in 1997, our target was to ensure that any wage adjustment would not lead to an increase in unit costs. We met that objective for the currency of the agreement. Now, across the South African operations, we must revisit labour productivity with renewed vigour.

Our purpose with this report is to repeat the steps we took in 1997. We intend publicly to set production and cost targets for the South African operations and to tell you what steps we intend taking to ensure that we meet those targets. Analysts and our investors will need to judge over the next three quarters as to whether or not we succeed.

Management of the South Africa Division

When AngloGold was formed some two-and-a-half years ago, the intention was that the company would become a global player. The AngloGold executive team was responsible for the South African assets as well as a growing portfolio of overseas operations and exploration activities abroad. In time it became essential to have a structure dedicated to managing the operations in this country and the South Africa Division was established in September last year.

Aside from production objectives at operating levels, the main focus of the executive team of this division is to ensure that the problems which have bedevilled the South African gold industry for years are dealt with in a strategic as well as a practical fashion. These problems are the limited flexibility of deep-level operations, rising costs, reducing margins, high capital expenditure and the long lead times for capital projects.

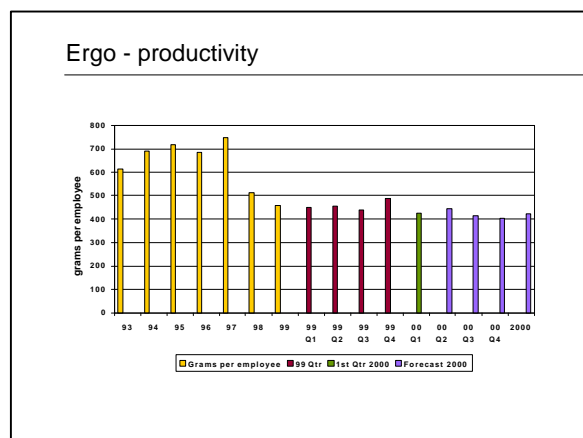
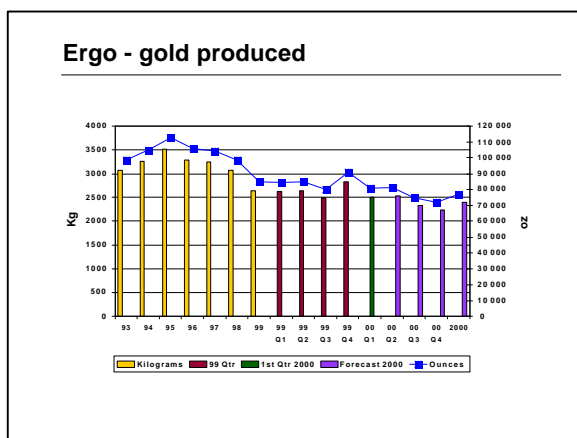
For the purposes of taking a closer look at the performance of AngloGold's South Africa Division, the operations have been divided into three broad groups: those that are currently performing well; those that have had recent problems but where plans to rectify these are well-advanced; and those with ore bodies that are nearing the end of their lives.

1. Performing well

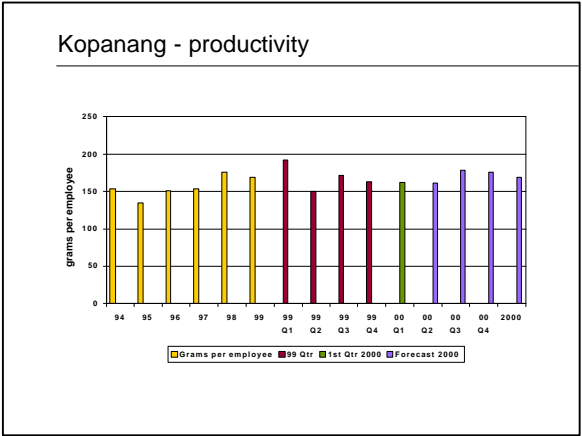
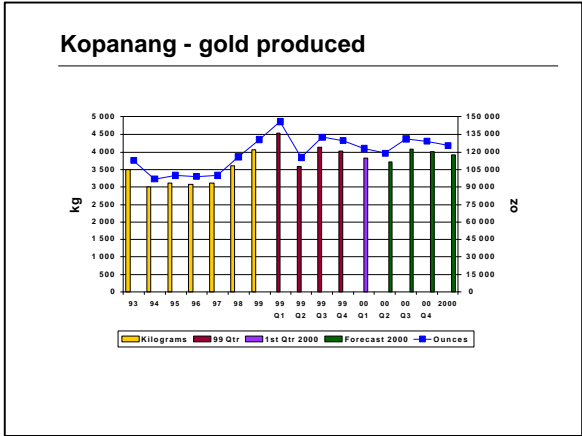
The operations in this category are Ergo, Kopanang, Mponeng, Tau Lekoa and Tshepong. Apart from brief periods when technical difficulties occurred, these operations have continued to perform according to expectations.

The final quarter of last year saw these operations producing some 1 700 kilograms (54 000 ounces) of gold above expectations. This quarter, once again, they have produced some 600 kilograms (19 000 ounces) more than anticipated.

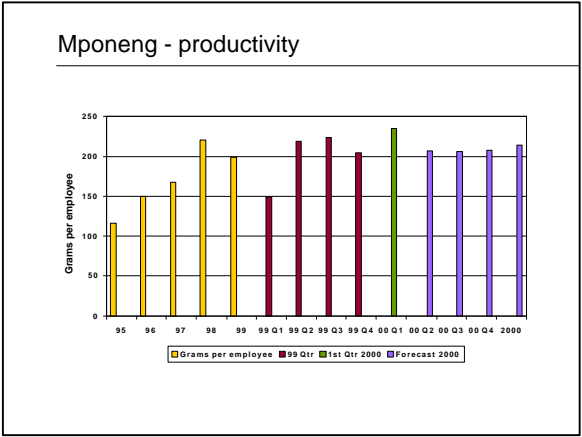
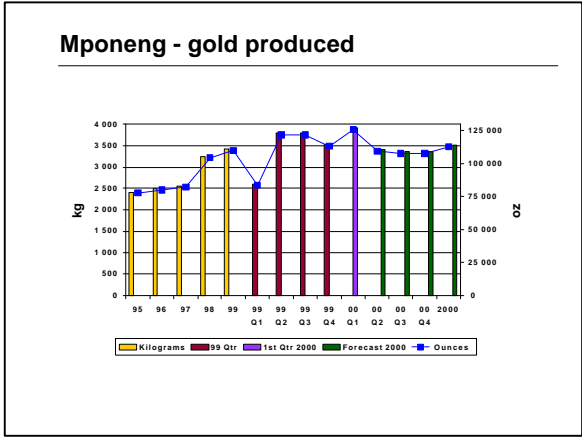
Ergo has a current life expectation until 2004 during which time viable reserves will be depleted, at current gold prices. The last quarter has seen this operation perform well, notwithstanding the impact of the heavy rainfall on the tonnage treated.



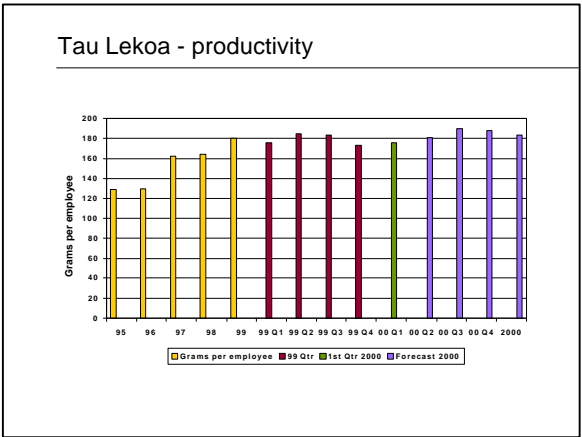
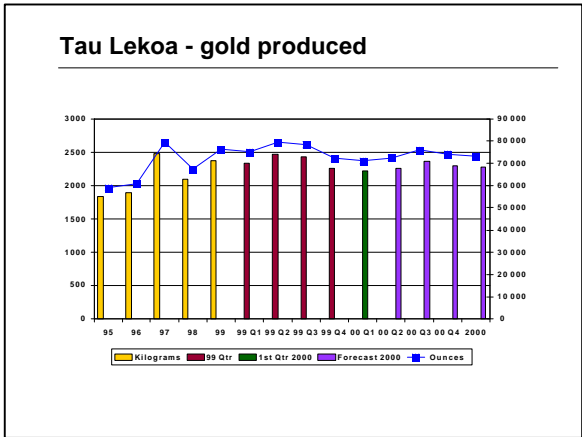
The gold produced at **Kopanang** was 5% lower than the previous quarter but was nevertheless in line with expectations. Tonnage treated from underground has once again been above expectations and is 4% up on the previous quarter. Cash costs are higher by 12% due to higher tonnage and lower gold produced. Kopanang has a life of mine to 2013.



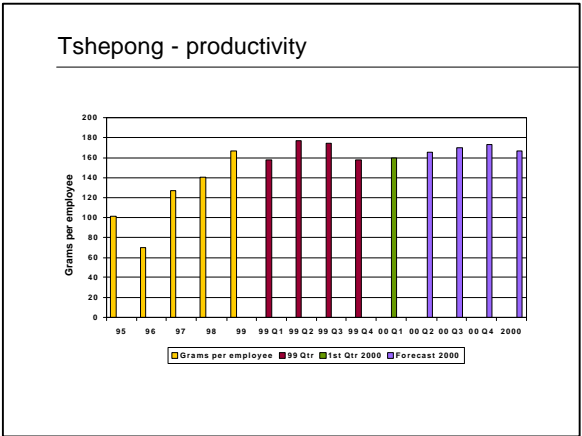
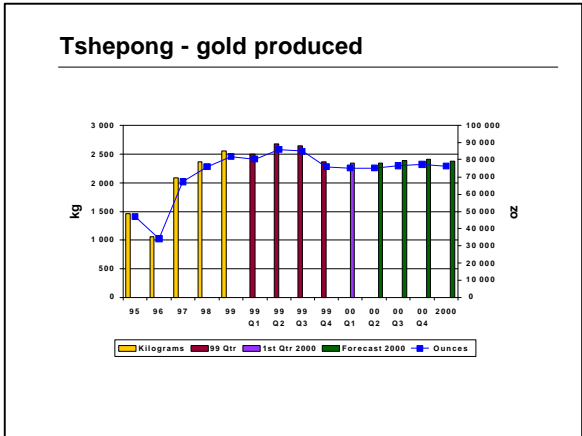
Mponeng has had a good quarter, producing an exceptional 581 kilograms (18 679 ounces) above expectations. This amounts to a 10% increase (399 kilograms/12 828 ounces) on last quarter. The tonnage treated from this operation also increased from last quarter by 4%. Cash costs have reduced by 17%. Productivity has followed suit and improved by 13%. This mine has reserves to last until 2015, including the additional reserves that the deepening project will add to the operation.



Tau Lekoa has achieved an all-time record in underground tonnes treated. The mine has successfully penetrated through a “running” dyke and is now in a position for operational development in the north-easterly section. The cash cost is 5% lower and the tonnage is 4% up on last quarter. Gold produced is 34 kilograms (1 093 ounces) less than the previous quarter but is in line with expectations. Focus is being placed on accessing the Weltevreden ground to improve the life of the mine which is currently expected to be until 2013.



Tshepong has generated tonnage and gold above expectations; with productivity expressed as grams per employee also above target for the March quarter. The cash costs have decreased by 11% and gold produced is marginally down on the last quarter. Tshepong is a low-grade operation with relatively high efficiency levels. It has an extensive ore reserve, a good mining infrastructure and a life of mine to 2016.

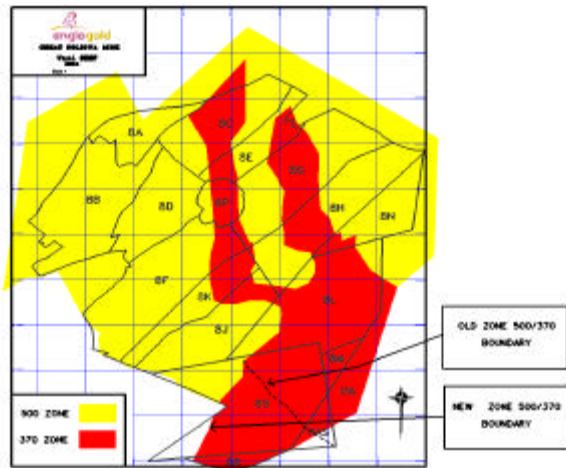


2. Improvements in progress

Great Nologwa

Overview

Great Nologwa is one of four AngloGold mines in the Klerksdorp area and is situated on the Free State side of the Vaal River. The mine operates at an average depth of 2 400 metres through a twin shaft system. The Vaal Reef horizon has a distinct high-grade zone with a mean grade of +3 000cm.g/t trending north to south over the extent of the ore body. The remainder of the resource has a grade of +2 000cm.g/t and forms the majority of the ore body.



Aggregate grade was expected to drop sharply as mining passed out of the high-grade area and as mining ceased against the Jersey fault. Recent studies of this high-grade zone in more detail indicate that it extends further to the west at its southern end than was previously predicted. This is indicated by the new boundary line. It also now appears that this zone at its southern extremity is not a channelised zone with

sharp boundaries as is the case in the previously mined out areas but actually forms a delta-type transition into the rest of the ore body. The consequence of this re-evaluation of the location of the boundary along with other exploration successes, has been an increase in the life of mine resource of 4% after deducting the depletion of gold from mining in 1999.

Whenever mining occurs in a delta-type deposit the grades are erratic, as is currently the case. A much stricter application of the mining plan and a higher degree of flexibility are required to meet expectations.

Review of recent performance

Great Nologwa operated below expectations towards the end of last year and the beginning of this year but will return to the anticipated performance levels from the third quarter. Factors influencing the shortfall of gold production fall into three main categories:

- mining mix;
- mining constrained by seismicity and structure; and
- increase in tonnage locked up underground.

Mining mix

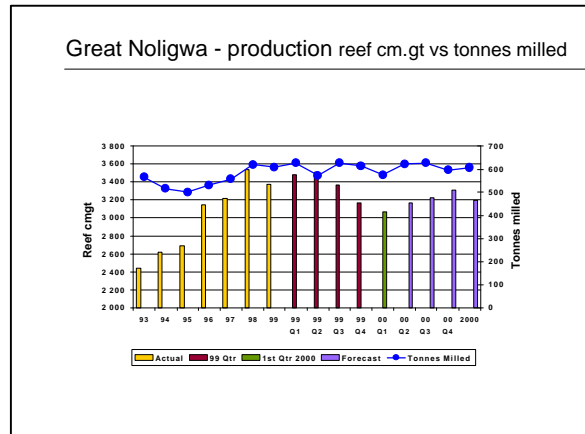
Mining in the southern section from September 1999 showed a gradual but continued drop in grade with erratic values being observed. Investigation of the ore mined revealed the presence of delta-type transition between the two ore body zones. With this knowledge, there had to be a revision of the extraction strategy in the affected area. During this change, the volume in this high-grade section was temporarily disrupted.

This change is now complete and the rate of mining from the area is back to previous levels while grades are expected to recover.

Mining constrained by seismicity and structure

Owing to the premature exposure of the flat-dipping Jersey fault, mining moved from the eastern section of the mine to the western section six months ahead of plan. The geological structure of the eastern section is far less complex than the western section.

At the time of the move, the mining preparation programme in the area had not been fully completed. Mining thus began in a concentrated area with limited flexibility. This meant that, when the various faults and dykes were intersected, operations had to continue because the seismic hazard made it unsafe to stop. Replacement face length was also limited. This situation increased the off-reef percentage on the mine from 6.2% to 8.2% and 10.5% in January and February respectively. Equipping programmes to further enhance mining flexibility will only reach an acceptable position in September this year.



The mine's production is at the expected level of 36 500 square metres per month which equates to about 600 000 tonnes per quarter.

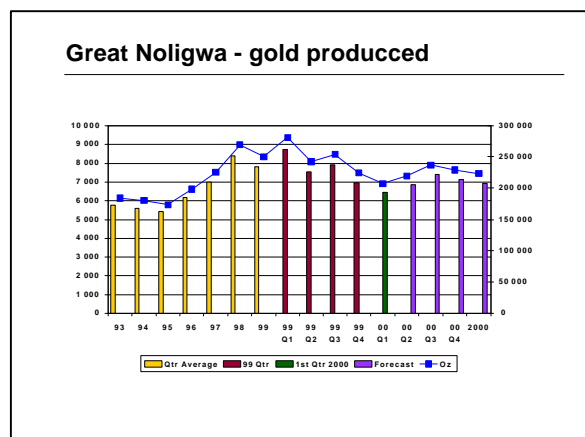
Increase in tonnage locked up underground

As part of a strategy to reduce labour overall, mine employees replaced contract workers for follow-behind clean-up operations. The mine employees initially lacked the training and experience of the contractors and this resulted in a decrease in operating efficiency. These employees have been trained and are now working at the required productivity levels.

The ore left underground as a result of this will be brought to surface during the second and third quarters.

Production outlook for 2000

The production outlook is for 600 000 tonnes milled per quarter and 2.4 million tonnes milled in the year with 7 tonnes (225 000 ounces) of gold per quarter and 27.8 tonnes (893 000 ounces) for the year at cash costs below \$170 per ounce or R34 000 per kilogram.



TauTona

Background

TauTona is predominantly a longwall mine, with only 13% of the production coming from sequential grid mining. Longwall mining involves operating with little knowledge of the geology and is thus both costly and time-consuming. Sequential grid mining, on the other hand, allows for development ahead of stoping. It yields accurate advance information so there is less mining through seismically active geological features.

The two reefs mined at TauTona are the Carbon Leader (CL) and Ventersdorp Contact (VCR) reefs with 98% of production coming from the Carbon Leader Reef horizon. The mine has a main, sub, and tertiary shaft system; most of the production (61%) comes from the tertiary shaft area (lower Carbon Leader horizon).

TauTona has been mined for the past 38 years, and it has an ageing infrastructure with most production occurring at great depth (the mean rock breaking depth is 2 998 metres below surface) and far away from the shafts (around 4 kilometres). This impacts on the shift time available for work at the mining face. Effectively, this is only five hours. TauTona has an excellent ore body with an average mineral reserve value of 2 863 cm.g/t, with 71% of area mined being supported with backfill.

The life of mine plan as it currently stands is for TauTona to be mined as a separate entity until the end of 2006, at which time the upper Carbon Leader mineral reserves will be exhausted. The lower Carbon Leader mineral resource will then transfer to Mponeng and will be mined through its sub shaft system until 2015.

Problems

Infrastructure

The ageing infrastructure at TauTona is in need of ongoing repair and maintenance. The increase in production over the last few years has meant that the shafts have run for six days a week, leaving very little time for much needed upgrading work.

Areas that are receiving a high degree of focus within the infrastructure are shaft steelwork, pipe columns, cables, internal/shaft ore passes, communication systems, fridge plants and railway infrastructure.

An amount of R46 million has been allocated for the upgrading of old and obsolete equipment and it is expected that the most critical work will be completed by the end of this year.

The development, which follows the stope face, has been behind schedule, causing cleaning distances on the reef horizon to be excessive. With re-design and a focus on critical ends over the past months, this trend has been reversed and cleaning distances are starting to decrease. The average distance from ore pass to stope face should normalise within four months.

Production shifts

In order to upgrade and maintain the infrastructure and to comply with the 45-hour working week without reducing the available five hours of face time, TauTona has introduced a five-day working week. This has resulted in a loss of more than 26 planned production shifts per

year and less area than expected has been mined in the first quarter. Steps to deal with these problems will include the following:

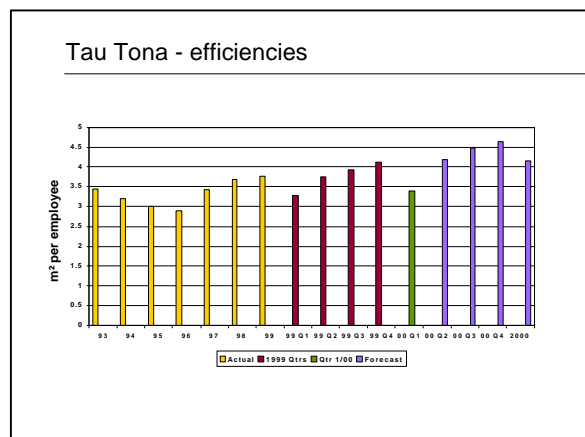
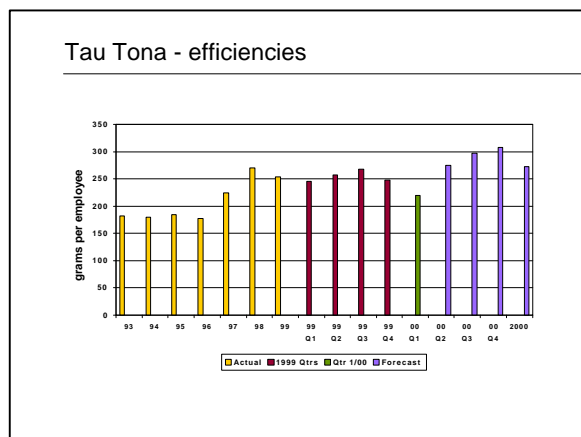
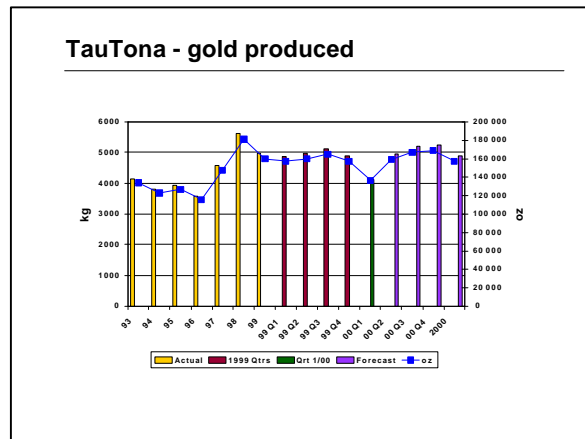
- a campaign to achieve three quality blasts in a five-day cycle;
- an improvement in yield deliveries to the plant; and
- discussions with organised labour to institute additional shifts.

Off-reef mining

The longwall mining method employed at TauTona results in limited advance information being available ahead of the advancing stope faces. Exploration drilling is done from beneath the abutment with limited success. Small scale faulting (less than 5 metres) not previously identified has had a negative impact on production but, generally, off-reef mining has been well controlled over the last two years. The forecast for 2000, however, is high at 13.8% because of the increased incidence of faulting in this area.

Outlook

The accompanying graphs indicate that TauTona has achieved a steady improvement in production since 1993 with a peak in face grades (more than 3200 cm.g/t), making 1998 an exceptional year. Unit costs show a slight increase in 1999 and in the first quarter of 2000 mainly because of a decline in gold production and additional expenditure on infrastructure. Unit costs will reduce as TauTona returns to production levels in excess of 1 650 kilograms (53 000 ounces) of gold per month in the remaining three quarters. The annual production target is 19.5 tonnes (628 000 ounces) of gold. Efficiencies have shown a positive trend since 1996 and management is confident that the figure for square metres per employee will return to the 4.0m² mark and stay there.



Elandsrand

Overview

The mine forms part of the West Wits line and is situated 14 kilometres south of Carletonville in the Gauteng Province. The first full year of production was 1979 and it was in this early stage that underground faulting was found to be more extensive than expected. The sub-vertical shafts were completed in 1985 and production from the mine increased from around 11 000 kilograms (350 000 ounces) a year in 1987 to a two-year peak of just over 18 000 kilograms (580 000 ounces) a year in 1992 and 1993. As mining in this area has progressed further away from the shafts into the deeper portion of the mine, the grade has declined as anticipated. Gold production has decreased to 13 000 kilograms (440 000 ounces) in 1999 and is planned at 12 300 kilograms (395 000 ounces) in 2000.

At the end of 1990, Elandsrand began the deepening project to access the Ventersdorp Contact Reef (VCR) down to a depth of 3 500 metres, including the Deelkraal lease area reserves. It is anticipated that the first production from this project will materialise in 2002 and is expected to yield an additional 147 tonnes of gold over the life of the project, which extends the mine life to 2016.

Problems

Elandsrand did not perform to expectations during 1999 and the first quarter of 2000. There are two main reasons for this.

The first is the lower grades being encountered in the areas now available for mining.

The second resulted from a decision to change the in-stope workplace structures to improve productivity and to achieve modern, multi-tasked, in-stope teams. Early in 1999 the experienced team leaders and contract miners were replaced by panel co-ordinators who formed part of a multi-tasked stope team. These trained panel co-ordinators lacked the experience of mining in deep-level stopes. This caused inefficiencies and difficulties in meeting planned production rates.

Solutions

To address the second problem, time has been spent on intensively training the new panel co-ordinators on the job and in their stopes with their teams. High-powered squads have been formed from some of the mine's best shift overseers and former contract miners as well as a few team leaders who were retained when the problem became evident. These special groups are achieving success. The panel teams they have trained are now meeting expectations and Elandsrand is benefiting from the increased flexibility and improved communications resulting from the flatter and leaner structures.

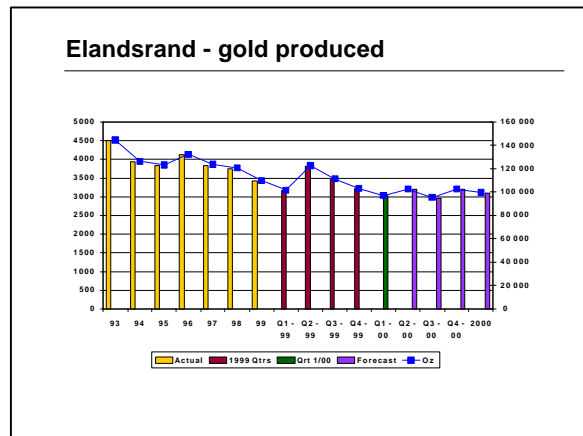
The first problem mentioned is more complex. The approach taken has been to identify the grade of the blocks available and accessible to mine, and to target those areas which exceed the cut-off grade. The task is made more difficult by the need to balance the output of the mine over the next three years to allow for the reserves from the deepening project to become available.

In 2000, therefore, Elandsrand has planned to produce 12.3 tonnes of gold with a leaner but more efficient workforce. The operation has been resized through natural attrition and by taking over some of the work of contractors. The in-stope production teams are now mining at their planned production rates.

The challenge is to ensure that ore reserve depletion is very tightly managed during the period of the gold gap before the new reserves come on stream towards the end of 2002.

Outlook

It is anticipated that, for the remainder of 2000, the operation will produce 450 000 tonnes milled per quarter and 3 000 kilograms (96 000 ounces) of gold per quarter at a cost lower than R55 000 per kilogram (\$272 per ounce).



Bambanani

Background

Bambanani Mine is situated in the southern part of the Welkom goldfields in the Free State, and comprises an East and a West shaft. East shaft was originally named President Steyn No. 4 shaft and was commissioned in the mid-1970s while the associated sub shaft was commissioned in the early 1980s. East shaft has an expected life of mine to 2010 with the completion of the shaft pillar extraction. West shaft, first known as the President Brand No. 4 shaft, was commissioned in the 1960s. Plans are in place for orderly closure in 2002/3, with any remaining reserves being mined from East shaft thereafter.

Operations are conducted from 1 200 metres to more than 3 000 metres below surface. The life of mine production plan is concentrated within a payable ore reserve boundary, as grades are anticipated to decline towards the southern section of the ore body. The bulk of the mine's production is derived from the lower levels of the East sub shaft, with the remainder of the production coming from remnant pillars on the upper levels of the mine on both East and West shafts.

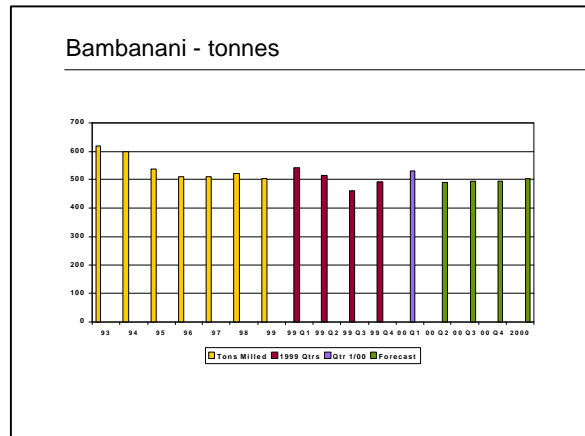
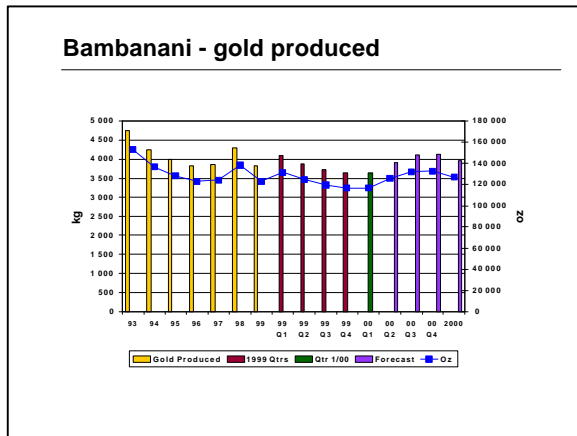
The depth and nature of mining operations, as well as the locality and nature of the geological features, make the considered application of mining sequencing essential to managing seismic risk.

Performance overview

Gold production showed a steady downward trend during 1999 to a level of performance significantly lower than 1998 but equal to 1997. It is pleasing to note that the first quarter's results in 2000 indicate a strong upward trend.

The 1999 results were negatively influenced by decreased volumes brought about by infrastructural problems in the first half of the year. These were compounded by a series of five underground fires in the latter half of the year.

Overall costs were stable during the year except for the fourth quarter when significant expenditure was incurred through infrastructure repairs and essential upgrades. Unit costs in rand per kilogram terms were negatively affected by the reduced volumes. There was a reversal of this trend in the first quarter of 2000, however, with unit costs now approaching R50 000 per kilogram (\$246 per ounce).



Actions taken

There are three fundamental issues that are being addressed at Bambanani to return the mine to appropriate production levels. These are:

- infrastructure upgrade,
- fire risk reduction and
- productivity improvement.

Significant progress has been made in upgrading the electrical reticulation system in the East shaft. The current focus is on shaft steelwork replacement, refrigeration plant and bulk air cooler upgrading, and the repair of critical return airways.

Fire chimney returns are being constructed to significantly reduce the impact of any future fires on production and safety. Return airway layouts are being modified to increase the total volume ventilated, and specifically to reduce the effect of any future underground fire on the heat rejection portion of the underground refrigeration systems. These actions should obviously be viewed in conjunction with the existing fire risk management systems and controls.

Productivity is set to improve significantly through a workplace change (WPC) transformation process. Delayed until the mining infrastructure improvements were in place, the process will start in May 2000 and involve taking production crews and supervisors away from their jobs for two weeks for training in:

- team building,
- business principles,
- planning and organising,
- problem-solving,
- safety awareness, and hazard identification, and
- implementing appropriate technology.

Further productivity improvements are planned through work process restructuring. Our experience of these strategies under similar circumstances at Tshepong showed that it is possible to achieve sustained productivity improvements of up to 25%.

Outlook

It is anticipated that, with the successful implementation of the above-mentioned actions, performance will be maintained at levels similar to those of February and March. For the rest of 2000, Bambanani should achieve 494 000 tonnes milled per quarter and 2 million tonnes for the year, 4 000 kilograms (129 000 ounces) of gold per quarter and 15 700 kilograms (505 000 ounces) for the year at a production cost of less than R50 000 per kilogram (\$244 per ounce).

Joel

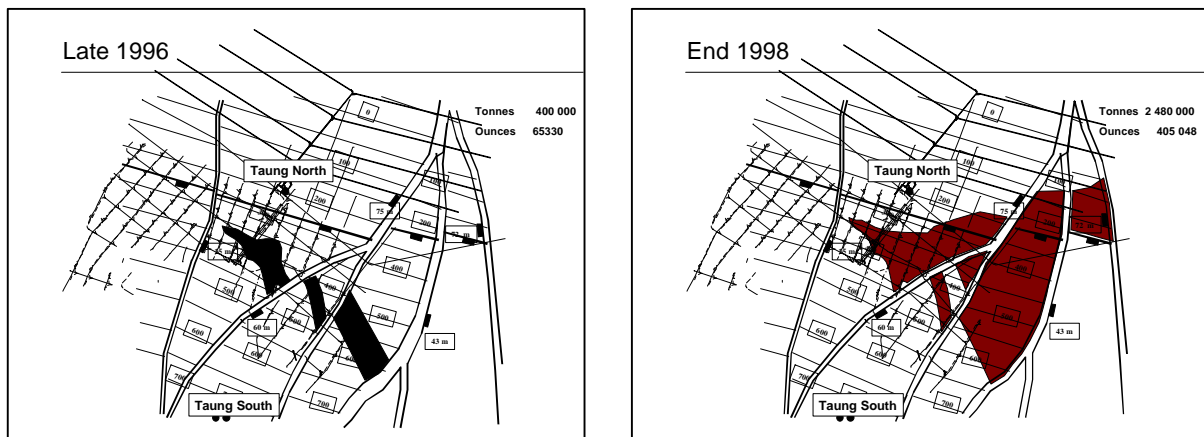
Introduction

H J Joel gold mine became part of AngloGold in April 1998. The mine was characterised by its full calendar (Fulco) cycle of shift arrangements, and the Triple Decline and No. 1 (Taung North) shaft sinking capital projects.

The Klippan Erosion Channel

In the period 1995/96, a geological feature, causing a loss of reef, was intersected by development in the eastern part of the mine. The feature was named the “Klippan Erosion Channel” and can be best described as an ancient water channel which cut down through the existing reef plane and left a valley. This was later filled up with sediments.

By late 1996, the loss of reserve was estimated at 400 000 tonnes and 60 000 ounces. As development progressed on the lower levels and further east, the effect of the “Klippan” became more striking and at the time of the planning cycle in 1998, the loss of reserve was 600 000 tonnes and 100 000 ounces. Further intersections of the “Klippan” through development and diamond drilling showed a far more dramatic picture and the loss of reserve has finally been estimated at 2 500 000 tonnes and 400 000 ounces.



This considerable change in our understanding of the “Klippan” meant that plans to mine certain areas in 1999 had to be set aside. The production build-up to 150 000 tonnes per month was therefore not achievable. In addition, Joel could not target such a build-up from the available reserves until the ore reserves to be accessed from the Taung North shaft had been established.

Solutions

In the short term, management focus has been successfully placed on creating sufficient mineable face to make up for that lost to the “Klippan”. This has been achieved by driving a development, ledging and equipping campaign in the short term and the results are evident in the graph opposite.

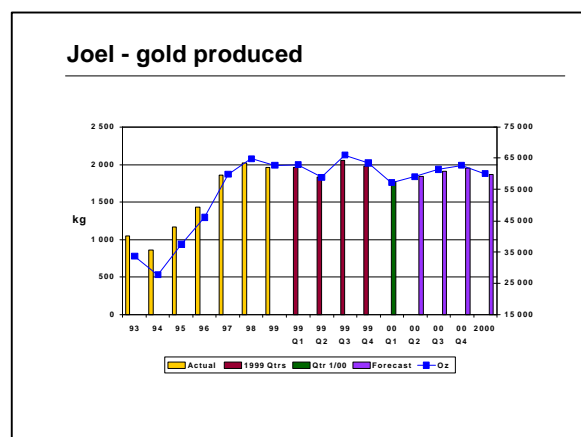
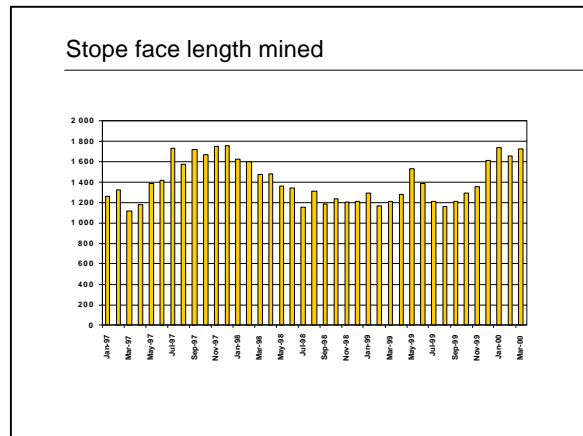
A number of initiatives have been taken to motivate the workforce to achieve the required outputs. These include:

- the formation of self-directed work teams in stoping, ledging and equipping;
- the restructuring of the supervision system to ensure that each production panel receives focused management by introducing panel miners to the day shift and panel gangers to the night shift;
- reducing the area of control of shiftbosses to ensure that each crew gets the necessary logistical support;
- implementation of a safety shiftboss per mine overseer section to ensure standards are maintained; and
- reducing the size of mine overseer sections down to six to eight panels to ensure that the correct level of planning and control is maintained.

The Fulco shift arrangement at Joel has been enhanced. Previously, a crew manned a face continuously but experienced constant changes in its members because of the way in which time off was scheduled. Now those who form the crew remain together and have their off time together. This includes the crew’s supervisors up to mine overseer level. The new system has given rise to significant improvements in safety, productivity and the attitude of the teams.

Outlook

Joel now has sufficient face length to meet its planned volume for the remaining quarters of 2000. We expect 120 000 to 135 000 tonnes milled per month, yielding 1 980 kilograms (64 000 ounces) of gold per quarter or 7.5 tonnes (240 000 ounces) for the year at a cost of less than R53 000 per kilogram (\$257 per ounce). The anticipated life of the operation is 13 years.



3. Assets nearing the end of their lives

AngloGold is a high volume, high value operator with major capital projects intended to ensure long-term profitability. Management recognises that there are low volume operators with low ore body grades who can manage end of life operations better than AngloGold.

AngloGold seeks to operate mines that add value to the company in that they have a return on equity greater than 10%, and that have the potential to produce gold at a cash cost less than or equal to \$200 per ounce. Individual operations should have a minimum operating margin of 20%. For reasons of age of infrastructure, decreasing reserves and declining grade, some of the mines in the AngloGold portfolio no longer perform at these levels. These operations are Matjhabeng in the Free State and Deelkraal and Savuka at West Wits. All three of these mines have almost exhausted their payable reserves and will therefore either be wound down to closure in the near future or sold to a third party which could exploit the remaining life of mine more cost-effectively.

Matjhabeng

Matjhabeng operates four shafts, Nyala, Eland, Kudu and Sable. The Eland shaft suffered a severe earthquake in 1999 and was successfully refurbished and recommissioned in October of that year. This is a high-grade shaft with approximately 88 000 square metres of mineable reserves at 2 500cm.g/t. Although they are also high-grade shafts, Kudu and Sable have limited reserves in high-risk, scattered pillar areas. While Nyala shaft has a large low-grade resource, it has limited reserves available for mining.

The projected profitable life of the Matjhabeng shafts is as follows:

Kudu Shaft	June 2000
Sable Shaft	December 2000
Nyala Shaft	December 2000
Eland Sub-Shaft	December 2000
Eland Main Shaft	April 2002

AngloGold will optimise the returns to shareholders over the limited life of Matjhabeng and close down the operation in phases.

Deelkraal

Deelkraal was purchased from Gold Fields of South Africa in November of 1997 to exploit the remaining reserves above 33 level, and more specifically to allow the deepened section of Elandsrand mine to exploit the reserves in the Deelkraal lease area below 33 level. It has a dedicated treatment plant with a capacity of 120 000 tonnes of ore per month.

Because of the small scale of operations, Deelkraal has been and will continue to be a high cost producer with remaining payable reserves above 33 level of only two years.

Owing to seismic damage, follow-on development lagged far behind the faces during the latter half of 1998 and into 1999. The backlog was caught up in the first quarter of 2000 and this will allow the mine to resume normal production levels in the higher-grade areas. The underground operations provide approximately 80 000 tonnes of ore per month and the balance of the ore feed to the plant will come from the low grade rock dump, which is currently running at 0.8 grams per tonne.

These performance levels ensure that the mine will produce gold at a unit cost level below the current spot price and hence will contribute to AngloGold during the last two years of its life. Thereafter, the mine will be closed down and rehabilitated.

There remains the opportunity, as with Matjhabeng, to sell or lease this operation to a low cost operator who can exploit the remaining life of mine.

Savuka

Savuka has the deepest shaft complex in the South African gold mining industry. It exploits the Carbon Leader Reef down to an operating depth of 3 700 metres below collar. Savuka lies to the west of TauTona, to the north of Mponeng and to the south of Blyvooruitzicht.

Mining of the shaft pillar has recommenced which has enhanced the grade profile of the mine.

The mine is performing to expectations and has a profitable life until 2003. The ability of a low volume, marginal operator to add value to this operation is being considered.

The future of the SA Division: Capital projects

AngloGold is committed to the future of deep-level mining in South Africa and this is borne out by planned capital expenditure of R1.2 billion on four major projects during 2000.

At **Elandsrand**, the sub shaft system is being deepened from 98 level (9 800 feet or 2 796 metres below collar) to 117 level, to provide access on four working levels for the exploitation of the southern portion of the Ventersdorp Contact Reef (VCR) lease area. The project also allows for the exploitation of the Deelkraal mineral reserve below 33 level. In total, the in-situ gold amounts to 165 tonnes.

The existing sub, main and sub-ventilation shafts have been deepened to 3 384 metres below collar. Access tunnels – 24 kilometres of development in all – to the reef horizon are being established on 102, 105, 109 and 113 levels.

The scope of the project includes all shaft-related development, the lower pump station and settlers, extension of the refrigeration plant and enlargement of the backfill facilities.

The shaft sinking and equipping were completed in 1997. Infrastructural development is planned to finish early in 2001 while all access tunnels to the reef will be in place by 2006.

This project will extend the life of Elandsrand to 2016 and recover an additional 147 tonnes of gold.

The purpose of the **Joel Taung North** project is to sink a new shaft system to the north of the current shaft system to provide access to a further 146 tonnes of in-situ gold.

It involves sinking, lining and equipping a vertical shaft to a depth of 1 544 metres below collar and providing four access tunnels to the reef horizon (that is the strike haulage position) on 121, 129, 137 and 145 levels (121 level is approximately 1 210 metres below collar). The access tunnels amount to 3.6 kilometres of development. The project includes the sinking of a ventilation shaft from 110 level to 145 level and the provision of surface

infrastructure, refrigeration, pumping and mud-handling facilities. The shaft system is designed to hoist 180 000 tonnes a month.

It is estimated that the shaft sinking will end in March 2001 and the equipping phase in December of the same year. A total of 80 tonnes of gold will be produced from the target area.

Moab Khotsong is a new mine, 26 kilometres to the south-east of Klerksdorp. A new shaft system is being sunk to 118 level (11 800 feet or 3 590 metres below collar) to allow access to the Moab lease area which has a resource of 330 tonnes of gold. The shaft system will be capable of hoisting 150 000 tonnes per month.

The main vertical shaft, which is down to 77 level, was commissioned in the second quarter of 1998. It is intended to extend this shaft to 103 level for man/material hoisting. This will eliminate the need for a second sub-vertical shaft. The single sub-vertical shaft will have rock-hoisting facilities from 103 level to 77 level. The deeper ore reserves will be reached through a decline from 101 level to 117 level and a tertiary shaft to 118 level. The extent of access development will be some 29 kilometres with ore reserve development amounting to a further 25 kilometres. The provision of surface infrastructure and refrigeration, as well as backfill, pumping and mud-handling facilities all fall within the scope of the project.

The shaft system, down to 118 level, will be fully commissioned by 2007. Production is due to start in the last quarter of 2003 and to reach full capacity by 2013. The life of mine extends to 2021 and it is expected that 286 tonnes will be recovered during that time.

The **Mponeng Sub Shaft Deepening** project is focused on the existing sub-vertical shaft system which is being taken from 109 level (10 900 feet or 3 036 metres below collar) to 123 level. The project includes the provision of associated shaft infrastructure and the development of access tunnels – 19 kilometres in total – to the southern portion of the VCR lease area and to the TauTona lower Carbon Leader reserves.

The extended shaft system will consist of two fully-equipped vertical hoisting shafts and a ventilation shaft down to 123 level. Pumping, settling and mud-handling facilities will be established on 120 level while the refrigeration plant will be enlarged to handle the higher mining rate and the great mean depth.

The deepened shaft system will be commissioned by the end of 2002 and full production will be reached by mid-2004. The project will increase the shaft reef capacity from 150 000 to 240 000 tonnes per month and extend the life of Mponeng to 2015. TauTona's lower Carbon Leader reserves will be mined from Mponeng from 2006. The project will extend Mponeng's life of mine recovered gold by 219 tonnes.

AngloGold is also committed to the **Deep Mine** project, a collaborative three-year initiative with two other South African mining companies, tertiary education institutions, government and labour. Commissioned to acquire knowledge and develop technologies for safe, efficient and profitable mining down to 5 000 metres, the project is expected to deliver practical benefits to existing operations during 2000.

Except for the historical information contained herein, there are matters discussed in this news release that are forward-looking statements. Such statements are only predictions and actual events or results may differ materially. For a discussion of important factors including, but not limited to, development of the Company's business, the economic outlook in the gold mining industry, expectations regarding gold prices and production, and other factors, which could cause actual results to differ materially from such forward-looking statements, refer to the Company's annual report on the Form 20-F for the year ended December 31, 1998 which was filed with the Securities and Exchange Commission on March 30, 1999