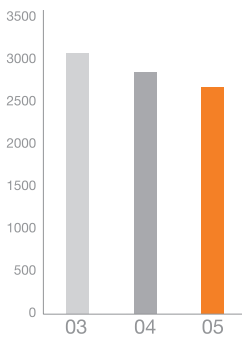
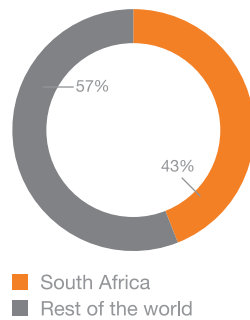


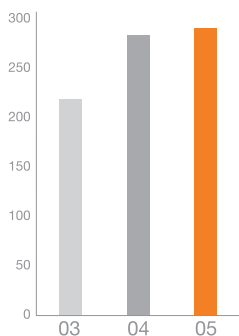
Gold production (000oz) South Africa



Attributable contribution to AngloGold Ashanti production in 2005 (%)

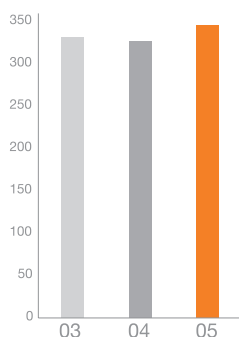


Total cash costs (\$/oz) South Africa



Total cash costs rose by 2% to \$291 per ounce as a result of the decline in gold production by 6%. This was partially offset by cost savings initiatives implemented in the region. In local currency terms, costs decreased to R59,343 per kilogram. The major cost-saving project undertaken in the region led to savings of \$76 million, primarily as a result of operational efficiencies (81%), improved procurement practices (15%) and restructuring (4%).

Capital expenditure (\$m) South Africa



A two-year wage agreement was reached with South African labour unions in August 2005 following a three-day strike, the first industry-wide wage strike since 1987. The settlement reached entailed:

- wage increases of between 6% and 7% with effect from 1 July, with the highest increase for the lowest job category;
- a wage increase in the second year of CPIX plus 1%, subject to a guaranteed increase of between 5.5% and 6%, again dependent on job category. CPIX in 2005 was 4.7%;
- increased employer contributions to the risk benefit within the retirement fund; and
- improvements in accommodation subsidies.

Capital expenditure in 2005 amounted to \$347 million, with expansion capital taking up 40% of this, and the balance being spent on ore reserve development (49%) and stay-in-business expenditure (11%). Major components of the expansion capital were projects at Moab Khotsong (\$62 million), Mponeng (\$5 million) and TauTona (\$39 million).

South Africa	2005	2004	2003
Gold production* 000oz	2,676	2,857	3,078
Total cash costs \$/oz	291	284	219
Capital expenditure \$ million	347	335	327
Total number of employees, including contractors	40,754	43,282	46,274

\* excluding Ergo.

## West Wits

**Description:** The West Wits operations – comprising the Mponeng, Savuka and TauTona mines – are located near the town of Carletonville in North West Province, south-west of Johannesburg, straddling the boundary with Gauteng. Savuka and TauTona share a processing plant, while Mponeng has its own processing plant.

**Geology:** Two reef horizons are exploited at the West Wits operations: the Ventersdorp Contact Reef (VCR), located at the top of the Central Rand Group, and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases from east to west, from 400 metres to 900 metres, owing to non-conformity in the VCR. TauTona and Savuka exploit both reefs, while Mponeng only mines the VCR. The structure is relatively simple, with rare instances of faults greater than 70 metres.

The CLR consists of one or more conglomerate units and varies from several centimetres to more than 3 metres in thickness. Regionally, the VCR dips at approximately 21 degrees, but may vary between 5 degrees and 50 degrees, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin,

Mponeng	2005	2004	2003
Pay limit (oz/t)	0.32	0.39	0.29
Pay limit (g/t)	10.93	13.26	10.08
Recovered grade (oz/t)	0.27	0.24	0.26
Recovered grade (g/t)	9.15	8.14	8.96
Gold production (000oz)	512	438	499
Total cash costs (\$/oz)	279	322	221
Total production costs (\$/oz)	363	386	269
Capital expenditure (\$ million)	47	62	69
Total number of employees	5,574	5,876	6,169
Employees	4,897	5,164	5,374
Contractors	677	712	795

varying from several centimetres to more than 3 metres in thickness.

#### Operating review

At Mponeng, during 2005, overall face values were up and the yield rose by 12% to 9.15g/t. As a result, gold production increased by 17% year-on-year to 512,000 ounces. This increase reflected the positive impact of the below 109 level project. This improved production profile will be sustained over the next six years, reaching a peak of 517,000 ounces annually by 2007.

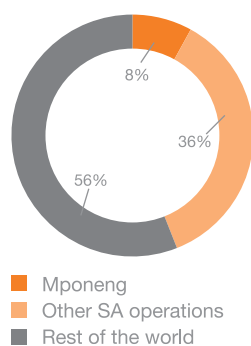
In local currency, cash costs were exceptionally well maintained at R57,084 per kilogram, 14% down on the previous year, as inflationary pressures were offset against the benefit of cost savings initiatives undertaken by the mine, and improved efficiencies as the labour complement declined. Total cash costs in dollar terms decreased by 13% to \$279 per ounce.

Gross profit, adjusted for the effect of non-hedge derivatives, rose by 345% to \$49 million. This was achieved by increased production and lower costs, combined with the higher gold price received.

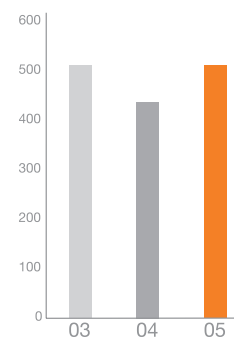
Capital of \$47 million was spent, a decrease of 24% compared with capital expenditure in 2004.

At TauTona, volumes mined declined as face advance was hampered by seismic activity and

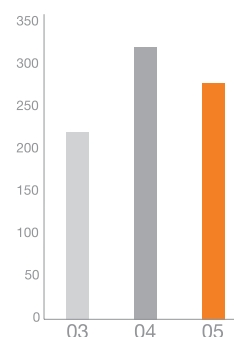
Attributable contribution to AngloGold Ashanti production in 2005 (%)



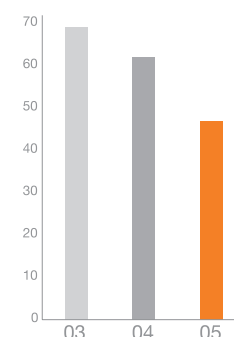
Gold production (000oz) Mponeng



Total cash costs (\$/oz) Mponeng



Capital expenditure (\$m) Mponeng



face length was lost as longwall panels mined out against mine boundaries and limits. This was as expected. The replacement of ground in the shaft pillar has been delayed following a fire and infrastructural commissioning, however, good progress has been made. The mine is expected to show steady improvement during 2006. At the same time, the yield fell by 12% to 9.62g/t with higher face values being offset by increased off-reef mining owing to geological constraints. As a result, gold production dropped by 12% to 502,000 ounces.

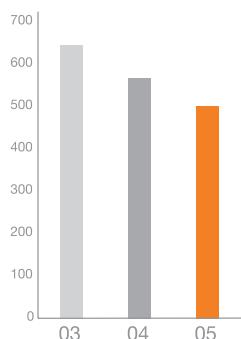
Total cash costs in local currency rose by 3% to R52,158 per kilogram primarily due to a decrease in gold production. In dollar terms, cash costs rose by 4% to \$256 per ounce. In rand terms, total cash costs decreased to R815 million due to efficiencies and cost management interventions.

Despite the higher gold price received, gross profit, adjusted for the effect of unrealised non-hedge derivatives, decreased by 24% to \$44 million – a reflection of the lower levels of production and increased amortisation charges.

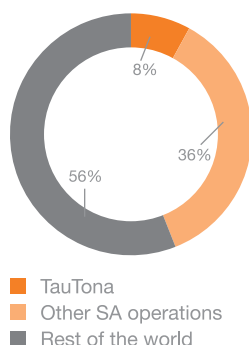
Capital expenditure – at \$74 million – was higher year-on-year, rising by 14%. This was mainly spent on the TauTona projects (see below).

**Savuka:** An accelerated closure plan has been adopted at Savuka, with final closure expected in March 2006.

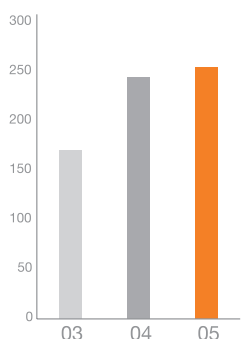
Gold production (000oz) TauTona



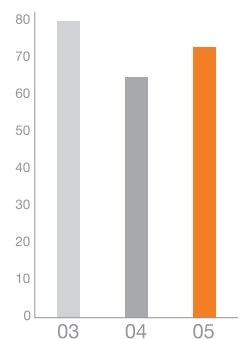
Attributable contribution to AngloGold Ashanti production in 2005 (%)



Total cash costs (\$/oz) TauTona



Capital expenditure (\$m) TauTona



As planned, overall production declined by 20% to 126,000 ounces. Volumes mined decreased in the first quarter as adverse ground conditions were experienced on the VCR, but a recovery was made thereafter on the introduction of a rationalised mining plan. This plan involved the cessation of mining of low-grade panels and non-critical development and the introduction of a significantly revised mining plan. Increased off-reef mining at the beginning of the year had an impact on grades, although an improvement in mining mix and a significant increase in face values in the second half of the year as a result of the revised mining plan, led to a reasonable recovery. The overall grade for the year was 6.80g/t, 10% up on the previous year.

Total cash costs were well maintained following the introduction of severe cost-saving initiatives and replanning of the mine. In local currency, cash costs decreased by 7% to R87,200 per kilogram; in dollar terms, cash costs were down by 5% to \$430 per ounce.

Although Savuka recorded a gross loss of \$8 million, after adjusting for non-hedge derivatives, the mine returned a profit in the fourth quarter. This allowed the loss for the year to be less than that incurred the previous year.

There was minimal capital expenditure, which at \$6 million was down by 25% on 2004.

TauTona	2005	2004	2003
Pay limit (oz/t)	0.67	0.67	0.45
Pay limit (g/t)	23.04	23.01	15.48
Recovered grade (oz/t)	0.28	0.31	0.35
Recovered grade (g/t)	9.62	10.88	12.09
Gold production (000oz)	502	568	646
Total cash costs (\$/oz)	256	245	171
Total production costs (\$/oz)	364	311	207
Capital expenditure (\$ million)	74	65	80
Total number of employees	5,455	5,498	5,457
Employees	4,459	4,673	4,794
Contractors	996	825	663

## Growth prospects

**Mponeng shaft deepening project:** This project involves the deepening of the sub-shaft system and the development of access tunnels to the VCR horizon on 113, 116 and 120 levels (from 3,172 metres to 3,372 metres below surface). The project is expected to produce 4.8 million ounces of gold over a period of 13 years to 2016. Total capital expenditure is estimated at \$210 million (at closing 2005 exchange rate), with some \$4.2 million (at closing 2005 exchange rate) remaining. The average project cash cost over the life of mine is expected to be approximately \$231 per ounce in 2005 real terms. Stopping operations commenced in May 2004 and good progress continued to be made with the project in 2005.

**TauTona: The CLR shaft pillar extraction project** allows for stopping operations up to the infrastructural zone of influence. The project, from which production commenced in 2004, is expected to produce 545,000 ounces of gold over a period of six years (2004 to 2009), at a capital cost of \$45 million (converted at the 2005 closing exchange rate). Of this, \$38 million has been spent to date. The expected average project cash cost is \$112 per ounce.

**The VCR pillar project** aims to access the VCR pillar area situated outside the zone of influence (top and eastern block). The project, from which production commenced in 2005, is expected to

Savuka	2005	2004	2003
Pay limit (oz/t)	0.41	0.41	0.45
Pay limit (g/t)	14.05	14.17	15.28
Recovered grade (oz/t)	0.20	0.18	0.17
Recovered grade (g/t)	6.80	6.19	5.81
Gold production (000oz)	126	158	187
Total cash costs (\$/oz)	430	455	411
Total production costs (\$/oz)	517	523	467
Capital expenditure (\$ million)	6	8	21
Total number of employees	2,325	3,229	4,529
Employees	2,178	3,001	4,122
Contractors	147	228	407

produce 162,000 ounces of gold over a period of eight years (2005 to 2012), at a capital cost of \$19 million (at the 2005 closing exchange rate). Of this, \$7 million has been spent to date. The expected average project cash cost is \$129 per ounce.

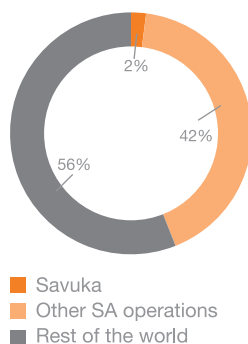
**The CLR reserve block below 120 level, known as the TauTona CLR below 120 level Project**, is being accessed via a twin decline system into its geographical centre, down to 125 level. The project, from which production will commence in 2009, is expected to produce 2 million ounces of gold over a period of nine years (2009 to 2017), at a capital cost of \$154 million. Of this, \$44 million has been spent to date.

**Outlook**

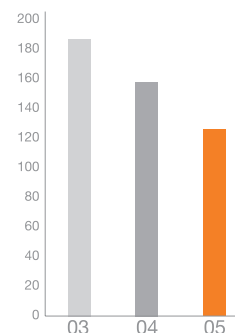
Expectations for 2006 are as follows:

- production at Mponeng to decrease to between 495,000 ounces and 515,000 ounces at a total cash cost of between \$278 per ounce and \$290 per ounce, with capital expenditure of between \$46 million and \$48 million, to be spent mostly on ore reserve development;
- production at TauTona to remain constant at between 491,000 ounces and 511,000 ounces, while total cash costs are expected to rise to between \$267 per ounce and \$277 per ounce. Capital expenditure of between \$73 million and \$75 million is planned, the bulk of which will be expenditure on the below 120 level project and ore reserve development; and

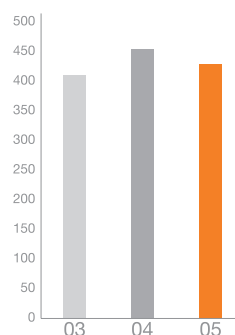
Attributable contribution to AngloGold Ashanti production in 2005 (%)



Gold production (000oz) Savuka



Total cash costs (\$/oz) Savuka



- production at Savuka will cease during March 2006. Production of between 14,000 ounces and 15,000 ounces, at a total cash cost of between \$613 per ounce and \$639 per ounce is anticipated.

**Vaal River**

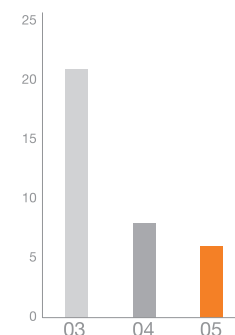
**Description:** AngloGold Ashanti’s Vaal River operations – comprising three operating mines, Great Noligwa, Kopanang and Tau Lekoa, and one developing mine, Moab Khotsong – are located near the towns of Klerksdorp and Orkney in the North West and Free State provinces.

The Vaal River complex also has four gold plants, one uranium plant and one sulphuric acid plant. Although these operations produce uranium oxide as a by-product, the value is not significant relative to the value of gold produced.

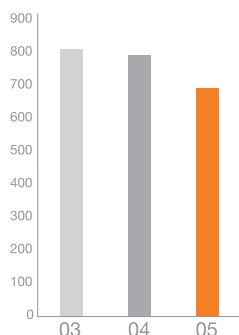
**Geology:** In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the “C” Reef:

- the Vaal Reef contains approximately 85% of the reserve tonnage with mining grades between 10g/t and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive non-conformities. Several distinct facies have been identified, each with its own unique gold distribution and grade characteristic;

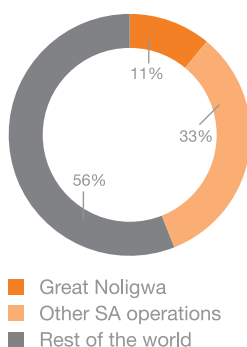
Capital expenditure (\$m) Savuka



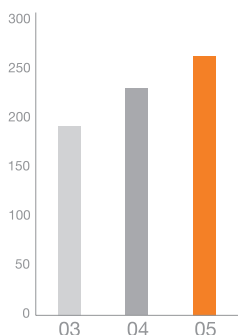
Gold production (000oz)  
Great Noligwa



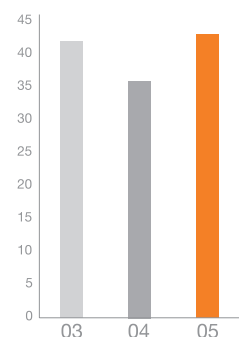
Attributable contribution to  
AngloGold Ashanti production in 2005 (%)



Total cash costs (\$/oz)  
Great Noligwa



Capital expenditure (\$m)  
Great Noligwa



- the VCR has a lower grade than the Vaal Reef, and contains approximately 15% of the estimated reserves. The economic portion is concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers, or a thin conglomerate horizon. The reef is located at the contact between the overlying Kliprivierberg Lavas of the Ventersdorp Super Group and the underlying sediments of the Witwatersrand Super Group, which creates a distinctive seismic reflector. The VCR is located up to one kilometre above the Vaal Reef;
- the "C" Reef is a thin, small-pebble conglomerate with a carbon-rich basal contact, located approximately 270 metres above the Vaal Reef. It has less than 1% of the estimated reserves with grades similar to those of the Vaal Reef, but more erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west and south-east, resulting in zones of fault loss.

## Operating review

At Great Noligwa, volumes mined decreased, largely because of a slow start-up at the beginning of the year and after rock engineering and geological constraints forced crews to move to lower grade areas of the mine, thereby interrupting and reducing production. The yield

Great Noligwa	2005	2004	2003
Pay limit (oz/t)	0.34	0.38	0.34
Pay limit (g/t)	11.81	13.01	11.53
Recovered grade (oz/t)	0.27	0.30	0.31
Recovered grade (g/t)	9.30	10.38	10.57
Gold production (000oz)	693	795	812
Total cash costs (\$/oz)	264	231	193
Total production costs (\$/oz)	329	260	213
Capital expenditure (\$ million)	43	36	42
Total number of employees	6,856	7,100	7,821
Employees	5,704	6,192	6,819
Contractors	1,152	908	1,002

declined by 10% to 9.3g/t, owing to lower face values despite a concerted effort to reduce underground lock-up. Consequently, total production amounted to 693,000 ounces, down by some 13% on the previous year's total.

Total cash costs were up by 13% in rand terms to R53,868 per kilogram, largely as a result of lower production and a decreased by-product contribution from uranium. These were offset by cost-management interventions. In dollar terms, total cash costs rose by 14% to \$264 per ounce.

Gross profit, after allowing for the effect of unrealised non-hedge derivatives, decreased by 26% to \$87 million, a result of lower production and higher amortisation charges, despite the improved gold price received.

Capital expenditure, at \$43 million, rose by 19% from the previous year, and was spent mainly on ore reserve development.

**Kopanang** delivered a good performance for the year, with gold production of 482,000 ounces, similar to that of the previous year. The yield at 7.4g/t was similar to that of the previous year.

Total cash costs, in rand terms, declined by 3% to R56,427 per kilogram thus reflecting savings made as part of the cost-cutting project, as well as higher production and improved efficiencies as total employee costs declined. In dollar terms, total cash costs declined by 1% to \$277 per ounce.

Kopanang	2005	2004	2003
Pay limit (oz/t)	0.35	0.39	0.32
Pay limit (g/t)	11.95	13.51	10.96
Recovered grade (oz/t)	0.22	0.21	0.21
Recovered grade (g/t)	7.38	7.37	7.07
Gold production (000oz)	482	486	497
Total cash costs (\$/oz)	277	281	223
Total production costs (\$/oz)	341	317	249
Capital expenditure (\$ million)	41	38	33
Total number of employees	6,030	6,312	6,966
Employees	5,506	5,758	6,131
Contractors	524	554	835

Gross profit, adjusted for the effect of unrealised non-hedge derivatives, was \$8 million higher as a result of lower costs and a higher received price for gold.

Capital expenditure of \$41 million, was 8% higher than that for the previous year and was spent mostly on ore reserve development.

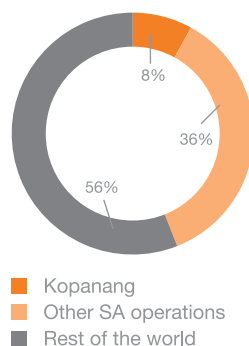
**At Tau Lekoa** volumes mined declined, with the implementation of a revised mining plan during the year that attempted to increase grade by reducing the mining of panels below the cut-off grade. Contract labour was moved from low-grade pillar mining to higher grade areas to mitigate the effect of this reduction. As a result, the yield rose by 2% to 3.96g/t. Gold production declined by 10% to 265,000 ounces as a result of the lower volumes.

Total cash costs increased by 10% to R83,885 per kilogram as a result of lower production but partly offset by cost-containment and cost-saving efforts. In dollar terms, total cash costs rose by 11% to \$410 per ounce.

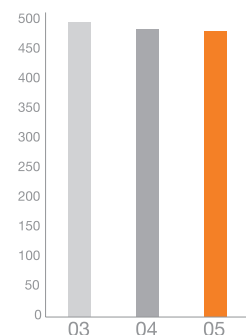
Gross loss, adjusted for the effect of unrealised non-hedge derivatives, increased to \$14 million, up 133% on the previous year. A restructuring plan is presently being assessed for Tau Lekoa to restore this operation to profitability.

Capital expenditure at \$15 million declined by 40%. This was spent on ore reserve development.

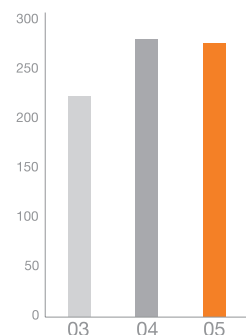
Attributable contribution to AngloGold Ashanti production in 2005 (%)



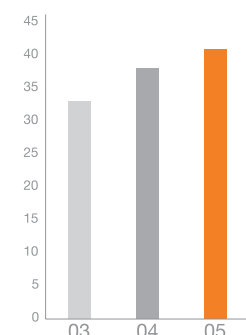
Gold production (000oz) Kopanang



Total cash costs (\$/oz) Kopanang



Capital expenditure (\$m) Kopanang



**Moab Khotsong** is the largest of the South Africa region's current projects. Located in the Vaal River area, the project involves sinking, constructing and equipping the shaft systems to a depth of 3,130 metres below surface, providing access tunnels to the reef horizon on 85, 95 and 101 levels, and developing the necessary ore reserves. The project is expected to produce 3.6 million ounces of gold from 10 million tonnes of milled ore over 15 years. The project capital cost is estimated at \$659 million (at 2005 closing exchange rate), of which \$629 million has been spent to date.

The shaft was commissioned in March 2003 and stoping operations began in November 2003. Moab Khotsong is forecast to reach commercial production of 50,000 ounces in 2006 and full production, at an average of 495,000 ounces per annum, is expected by 2012. The average cash cost (2006 real terms) is expected to be \$252 per ounce over the life of mine.

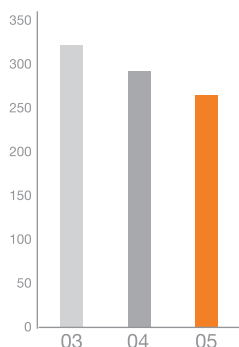
Moab Khotsong's 30,000 ounces of production for 2005 are not included in the region's production as revenue is capitalised against pre-production costs.

#### Outlook

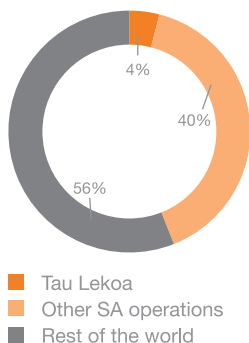
The projections for the Vaal River operations in 2006 are as follows:

- As mining continues into lower grade areas, production at Great Nolligwa is expected to decline further to between 651,000 ounces

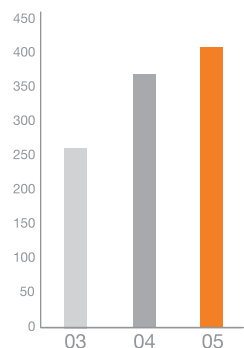
Gold production (000oz)  
Tau Lekoa



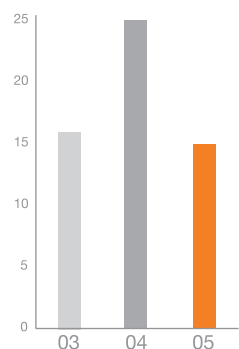
Attributable contribution to  
AngloGold Ashanti production in 2005 (%)



Total cash costs (\$/oz)  
Tau Lekoa



Capital expenditure (\$m)  
Tau Lekoa



and 677,000 ounces at a total cash cost of between \$258 per ounce and \$268 per ounce. Capital expenditure during 2006 is anticipated to be between \$47 million and \$49 million, to be spent mostly on ore reserve development.

- Gold production at Kopanang is expected to decrease to between 457,000 ounces and 475,000 ounces at a total cash cost ranging between \$294 per ounce and \$306 per ounce. Capital expenditure during 2006 is expected to be between \$36 million and \$38 million, to be spent mainly on ore reserve development.
- Production at Tau Lekoa is expected to decrease to between 207,000 ounces and

Tau Lekoa	2005	2004	2003
Pay limit (oz/t)	0.17	0.18	0.14
Pay limit (g/t)	5.93	6.31	4.90
Recovered grade (oz/t)	0.12	0.11	0.12
Recovered grade (g/t)	3.96	3.87	4.24
Gold production (000oz)	265	293	322
Total cash costs (\$/oz)	410	370	263
Total production costs (\$/oz)	509	432	304
Capital expenditure (\$ million)	15	25	16
Total number of employees	4,105	4,252	4,139
Employees	3,021	3,398	3,450
Contractors	1,084	854	689

215,000 ounces at a total cash cost of between \$382 per ounce and \$398 per ounce. Capital expenditure is anticipated to be approximately \$12 million, to be spent mainly on ore reserve development.

- Commercial production of the Moab Khotsong mine will commence in 2006, with gold production amounting to between 48,000 ounces and 50,000 ounces for the year. Total cash costs are expected to be between \$654 per ounce and \$680 per ounce while capital expenditure of between \$82 million to \$85 million is planned.