

Review of operations – Australia

AngloGold Ashanti has two mines in Australia, **Sunrise Dam** and **Boddington**, both located in the western part of the country. The Sunrise Dam mine is 100% owned by AngloGold Ashanti, while the Boddington project, which is currently under construction and in which AngloGold Ashanti holds 33.33% equity, is a joint venture with Newmont Mining Corporation.

In 2006, production from Australia came solely from the Sunrise Dam operation and rose marginally to 465,000 ounces at a total cash cost of \$298 per ounce, some 11% higher than that of the previous year.

Sunrise Dam

Description: Sunrise Dam is located some 220 kilometres north-north-east of Kalgoorlie and 55 kilometres south of Laverton. The mine comprises a large open-pit operation and an underground project. Mining is carried out by contractors and ore is treated in a conventional gravity and leach process plant.

Geology: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high-strain shear zones (for example, Sunrise Shear) and steeply dipping brittle-ductile low-strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

Operating review

Production increased slightly at Sunrise Dam in 2006 to a record 465,000 ounces. This was primarily because of the operation's highest-ever quarterly production of 153,000 ounces in the final quarter, when mining concentrated, as planned, on the high-grade GQ lode in the open pit. Mining from the known underground reserves increased significantly, especially in the Sunrise and Western Shear zones. Gold production from the underground mine was 67,000



ounces. Record throughput was achieved in the process plant as a result of additional crushing and grinding circuit optimisation.

Total cash costs rose to \$298 per ounce, primarily as a result of increased costs associated with diesel fuel and mining contractor rates, while gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts rose significantly year-on-year to \$137 million as a consequence of the higher price received.

Progress continued on the Sunrise Dam underground project, with 2,305 metres of underground capital development and 5,901 metres of operational development having been completed during the year.

Capital expenditure amounted to \$24 million compared with \$34 million in 2005.

Growth prospects

The underground mining project involves the development of two declines and 125,000 metres of drilling from surface and

underground. These declines have been developed in the vicinity of defined underground reserves, which are now being mined. They have also provided access for underground exploration drilling.

Underground resources have increased to 1.5 million ounces. The mineralisation is complex, varying in orientation, width and grade, although mining of the known reserves has provided valuable operating experience and prospectivity remains high. Underground exploration is planned to continue in 2007.

Outlook

In 2007, gold production is expected to be about 580,000 ounces as mining of the open pit will continue in the high-grade GQ lode for the year. Production will be supplemented by approximately 85,000 ounces from the underground operation.

Total cash costs of around \$266 per ounce are expected. Capital expenditure is forecast to increase to \$34 million, which is to be spent primarily on the maintenance of infrastructure and underground development.

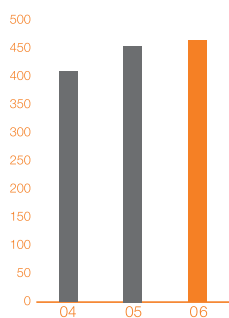
Sunrise Dam	2006	2005	2004
Pay limit (oz/t)	0.05	0.07	0.07
Pay limit (g/t)	1.64	2.27	2.14
Recovered grade (oz/t)*	0.099	0.107	0.101
Recovered grade (g/t)*	3.39	3.68	3.46
Gold production (000oz)	465	455	410
Total cash costs (\$/oz)	298	269	260
Total production costs (\$/oz)	376	363	326
Capital expenditure			
(\$ million)	24	34	25
Total number of employees	382	375	356
Employees	99	95	88
Contractors	283	280	268

* Open-pit operations.

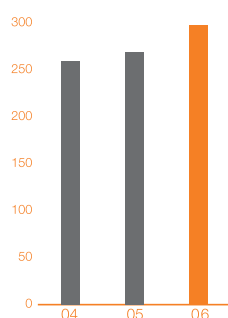
Boddington

Description: Boddington gold mine is located approximately 100 kilometres south-east of Perth. The former dominantly oxide open-pit operation closed at the end of 2001. Following Newmont's purchase of Newcrest's share of the project in March 2006, Newmont holds a 66.66% share in the project and AngloGold Ashanti a 33.33% share.

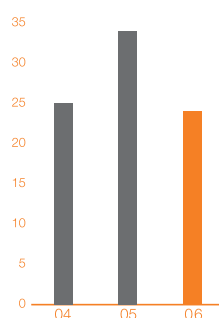
Gold production (000oz)
Sunrise Dam



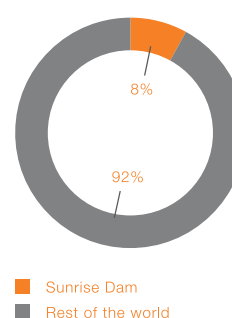
Total cash costs (\$/oz)
Sunrise Dam



Capital expenditure (\$m)
Sunrise Dam



Attributable contribution to AngloGold Ashanti production in 2006 (%)



Review of operations – Australia cont

Geology: Boddington is located within the Saddleback Greenstone Belt, a northwest-trending fault-bounded sliver of greenstones about 50 kilometres long and eight kilometres wide within the Archaean Yilgarn Craton.

The Boddington resource is located within a six-kilometre strike length and consists of felsic to intermediate volcanics and related intrusives. The resource is subdivided into Wandoo South and Wandoo North. Wandoo South is centred on a composite diorite stock with five recognisable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.

Operating performance, growth prospects and outlook

In March 2006, the Boddington expansion project was approved. On a 100% project basis, approximately \$669 million of a total budget of \$1.35 billion to \$1.5 billion had been committed by the end of 2006. Based on the current mine plan, mine life is estimated to be approximately 17 years, with attributable life-of-mine gold production totalling 4.7 million ounces of gold. Average attributable gold production in the first five years will be between 320,000 to 350,000 ounces per year, while on a life-of-mine

average basis, attributable production is estimated to be between 270,000 and 300,000 ounces per year. AngloGold Ashanti's share of copper production, which will be sold as concentrate, is expected to be between 10,000 and 12,500 tonnes per year.

Capital expenditure for 2007 is expected to be approximately \$312 million.

At the end of 2006, engineering was approximately 42% complete, and site construction had begun. The project is on schedule to start up in late 2008 early 2009.

Boddington	2006	2005	2004
Capital expenditure (\$ million) – 100%	180	12	8
Capital expenditure (\$ million) – 33.33%	60	4	3
Total number of employees	97	66	45
Employees	12	18	12
Contractors	85	48	33

