

Review of operations – Namibia

AngloGold Ashanti has one gold mining operation in Namibia, namely Navachab, which is wholly owned. In 2007, Navachab produced 80,000 ounces of gold, equivalent to 1% of group production.

Navachab		2007	2006	2005
Pay limit	(oz/t)	0.04	0.04	0.05
	(g/t)	1.22	1.29	1.65
Recovered grade	(oz/t)	0.046	0.053	0.060
	(g/t)	1.56	1.81	2.05
Gold production	(000oz)	80	86	81
Total cash costs	(\$/oz)	419	265	321
Total production costs	(\$/oz)	479	348	326
Adjusted gross profit	(\$m)	13	22	10
Capital expenditure	(\$m)	6	5	5
Total number of employees		409	313	315
Employees		409	313	315
Contractors		–	–	–

Navachab

Description: The Navachab mine is situated near Karibib and 170 kilometres north-west of Windhoek in Namibia, on the south western coast of Africa. Navachab is an open-pit mine and its processing plant, with a production capacity of 120,000tpm, includes mills, carbon-in-pulp (CIP) and electrowinning facilities.

Safety: Overall safety standards were maintained at Navachab with an LTIFR for the year of 4.59 (2006: 4.09). No fatalities were recorded.

Operating review: Production declined in line with expectations to 80,000 ounces in 2007 (2006: 86,000 ounces).

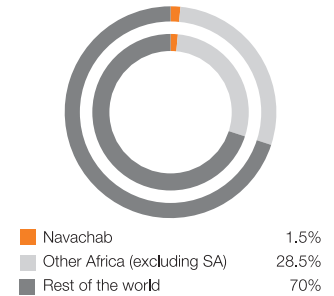
Mining volumes declined mainly due to a lack of drill availability, from 7.8Mt in 2006 to 7.3Mt. Plant-production went up from 1.5Mt in 2006 to 1.6Mt in 2007 in line with expectations. Feed grade fell by 15% between 2006 and 2007.

Drill performance and drill capacity affected mining throughput as did the loss of skills to local and international competitors. Grades were relatively low as the operation continued to strip the east pushback while metallurgical recovery was lower than expected.

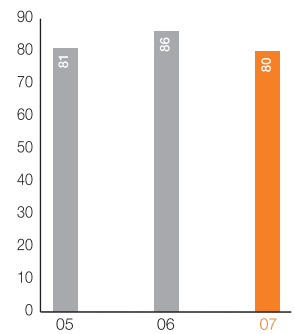
Total cash costs rose by 58% to \$419/oz. This increase was caused by an increase in the cost of labour, explosives and the grade-related decline in gold production.



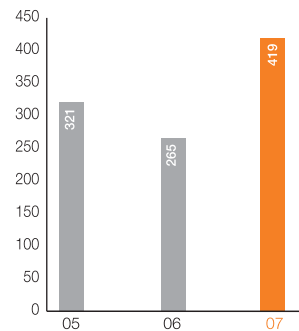
Contribution to attributable group production in 2007 (%)



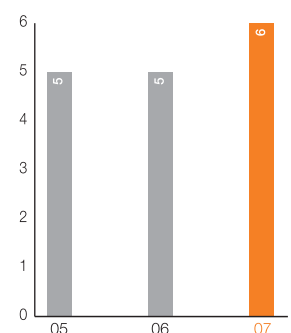
Gold production (000oz) Navachab



Total cash costs (\$/oz) Navachab



Capital expenditure (\$m) Navachab



Adjusted gross profit declined to \$13 million from \$22 million in 2006, largely as a result of the significant increase in costs which offset benefits of the higher gold price received. Capital expenditure for the year was \$6 million (2006: \$5 million).

Growth prospects: Work on the west pushback expansion is currently underway. This is expected to add another seven years to the life of the mine. Work on the dense media separation (DMS) plant is also at an advanced stage.

Exploration aimed at increasing geological confidence will continue. Brownfields exploration projects will also increase the resource and the reserve base.

Outlook: Gold production for 2008 is projected to increase to between 75,000 and 80,000 ounces at a total cash cost in a range of \$520/oz to \$530/oz. Capital expenditure of \$34 million is scheduled for 2008, of which 62% will be spent on the DMS plant (\$17 million) and heavy mining equipment rebuilds (\$4 million). Benefits of the DMS plant will be realised from 2009 onwards.