

Attributable capital expenditure for the year amounted to \$12 million, 20% higher than the previous year. This was spent on mine equipment, the raising of tailings dam and exploration.

Growth prospects: During 2005, drilling will continue on under-explored veins within the greater licence area, while scoping studies will be conducted to investigate potential high-grade underground and attributable leachable low-grade ores.

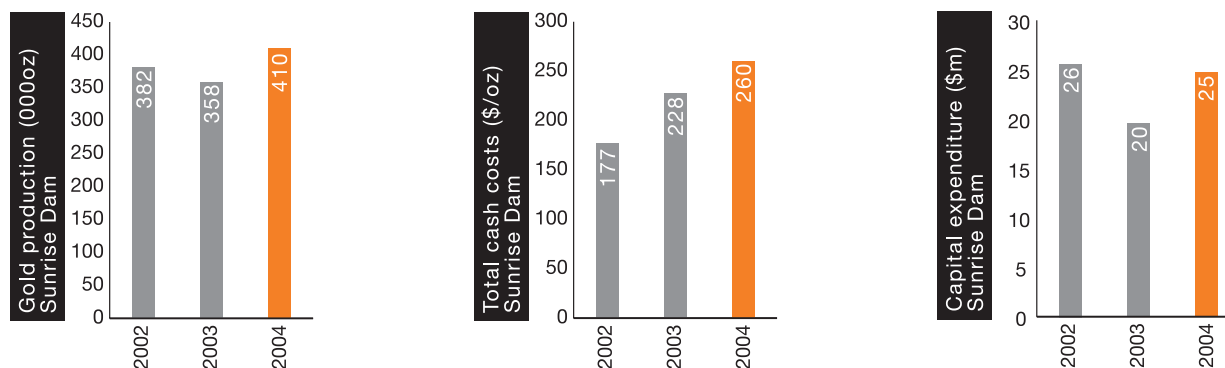
Outlook: In 2005, attributable production at Cerro Vanguardia should decrease to 204,000 ounces, at a total cash cost of \$174 per ounce. Attributable capital expenditure is expected to be in the region of \$10 million.

Cerro Vanguardia	2004	2003	2002
Pay limit (oz/t)	0.12	0.12	0.11
Pay limit (g/t)	4.05	4.28	3.88
Recovered grade (oz/t)	0.222	0.208	0.277
Recovered grade (g/t)	7.60	7.15	9.49
Gold production (000oz) – 100%	229	226	261
Gold production (000oz) – 92.5%	211	209	179
Total cash costs (\$/oz)	156	143	104
Total production costs (\$/oz)	274	261	203
Capital expenditure (\$ million) – 100%	13	10	3
Capital expenditure (\$ million) – 92.5%	12	10	2
Total number of employees	791	690	540
Employees	389	339	316
Contractors	402	351	224

Australia

Acquired at the end of 1999, the Australian operations (formerly Acacia Resources Limited) comprise only one operation at present, the Sunrise Dam Gold Mine in Western Australia (AngloGold Ashanti's interest is 100%). Mining ceased at Union Reefs in the Northern Territory in the third quarter of 2003, and Union Reefs' assets were sold to the Burnside Joint Venture in September 2004. The Boddington Gold Mine in Western Australia (in which AngloGold Ashanti has a 33.33% interest) is currently on care and maintenance, pending a decision to proceed with the Boddington expansion project.





Sunrise Dam

Description: Sunrise Dam comprises a large open-pit and an underground project. Mining is carried out by contractors and ore is treated in a conventional gravity and leach process plant.

Location: Sunrise Dam gold mine lies some 220 kilometres north-north-east of Kalgoorlie and 55 kilometres south of Laverton in Western Australia.

Geology: Following the purchase of the Sunrise lease from Placer Dome in December 2002, AngloGold Ashanti now has control of the entire mineralised system at Sunrise Dam. 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: After abnormally heavy rainfall limited access to higher-grade ore in the pit early in the year, mining moved into the higher-grade Watu section of the orebody. As a result, production increased by 15% to a record 410,000 ounces. Recovered grade, at 3.46g/t was 11% higher than the previous year. Total cash costs increased by 14% to \$260 per ounce, as a result of remedial measures taken to mitigate the effects of the rain in the first quarter, increased ore transport costs, higher mining costs, and crusher maintenance requirements.

The underground project at Sunrise Dam is progressing well, with 3,155 metres of underground capital development and 1,550 metres of operational development completed during the year. The first gold was produced from underground in the fourth quarter.

Adjusted operating profit was \$62 million, up by 114% on 2003, as a result of improved production levels and increased inventory. Capital expenditure at \$25 million, was 25% higher than the previous year, with \$17 million spent on underground development, \$4 million on brownfields exploration and the remaining \$4 million on operations.

Growth prospects: Following a scoping study that was completed in the first half of 2003, underground development commenced in the fourth quarter of 2004. The three-year underground project, involving the development of two declines and 125,000 metres of drilling from surface and underground, will enable the underground potential for the Sunrise Dam orebody to be fully explored.

Declines are being developed in the vicinity of defined underground reserves, which will be mined through the course of the project. Deep drilling to date has indicated that the sub-vertical, high-grade zones that have been a feature of open-cut mining at Sunrise Dam continue at depth. It is expected that the project will add significantly to underground reserves and a decision on whether to proceed to full-scale underground mining will be made early in 2007.

Outlook: Gold production is expected to increase to some 464,000 ounces in 2005, at a total cash cost of \$274 per ounce. Capital expenditure is expected to be in the order of \$40 million in 2005.

Sunrise Dam	2004	2003	2002
Pay limit (oz/t)	0.07	0.07	0.08
Pay limit (g/t)	2.14	2.26	2.37
Recovered grade (oz/t)	0.110	0.091	0.102
Recovered grade (g/t)	3.46	3.12	3.49
Gold production (000oz)	410	358	382
Total cash costs (\$/oz)	260	228	177
Total production costs (\$/oz)	326	295	227
Capital expenditure (\$ million)	25	20	26
Total number of employees	356	316	365
Employees	88	94	112
Contractors	268	222	253

Boddington

Description: Boddington gold mine, which closed at the end of 2001, was an open-pit operation. Formerly operated by Worsley Alumina, since September 2002 it has been managed by the Boddington Gold Mine Management Company under the direction of the Boddington joint venture partners, namely AngloGold Ashanti (33.33%), Newmont Boddington (44.44%) and Newcrest Operations (22.22%).

Location: The operation is located approximately 100 kilometres south-east of Perth.

Geology: Boddington is located in the Archaean Saddleback greenstone belt in south-west Western Australia. The main zone of gold mineralisation occurs reasonably continuously over a strike length of over five kilometres and a width of about one kilometre. The oxide gold mineralisation forms a semi-continuous blanket within the upper iron-rich laterite, with more erratic gold distribution in the lower zones. The basement rocks below the oxide zone host gold mineralisation with a variety of geological styles, predominantly in andesitic volcanics and diorite dykes.

Operating performance: In 2004, the plant was on care and maintenance pending commencement of the Boddington expansion project. Site activities included minor rehabilitation, plant preservation, exploration and assistance with testwork for the feasibility study update.

Work continued during the year on the Boddington expansion project feasibility update. All three parties remain committed to completing the study and proceeding with the project subject to satisfactory economic criteria being met. Capital expenditure during 2004 amounted to \$3 million.

Growth prospects and outlook: A decision to proceed with the Boddington expansion project is expected towards the end of 2005. A feasibility study completed in 2000 was based on an operation with a throughput of 25 million tonnes per annum, producing an average of 600,000 ounces of gold and 22,500 tonnes of copper per annum over a life-of-mine of 15 years, at an estimated attributable capital cost of \$192 million. The update of the study has pointed towards a larger project with greater throughput, higher annual gold production and longer mine life. This larger scale will reduce the impact of higher costs in the region resulting from the current

minerals boom. Environmental approvals associated with the expansion as defined by the 2000 feasibility study were received in June 2002 and will remain valid for a period of five years. Subsequent changes to the project may require a supplementary approval process, which it is planned will be completed during the year.

Boddington	2004	2003	2002
Pay limit (oz/t)	–	–	–
Pay limit (g/t)	–	–	–
Recovered grade (oz/t)	–	–	–
Recovered grade (g/t)	–	–	–
Gold production (000oz) 100%	–	–	6
Gold production (000oz) 33.33%	–	–	2
Total cash costs (\$/oz)	–	–	–
Total production costs (\$/oz)	–	–	–
Capital expenditure (\$ million) – 100%	8	4	–
Capital expenditure (\$ million) – 33.33%	3	1	–
Total number of employees	45	41	10
Employees	12	12	10
Contractors	33	29	–

Union Reefs

AngloGold Ashanti sold its interests in the Union Reefs assets in August 2004 to the Burnside Joint Venture.

Description: Mining ceased at the Union Reefs open-pit operations in the third quarter of 2003, and the treatment plant was placed on care and maintenance. In the interim, closure and rehabilitation work has continued.

Location: Union Reefs lies some 160 kilometres south-east of Darwin, between the townships of Pine Creek and Adelaide River in Northern Territory.

Union Reefs	2004	2003	2002
Pay limit (oz/t)	-	0.05	0.03
Pay limit (g/t)	-	1.61	1.05
Recovered grade (oz/t)	-	0.033	0.040
Recovered grade (g/t)	-	1.12	1.36
Gold production (000oz)	-	74	118
Total cash costs (\$/oz)	-	272	224
Total production costs (\$/oz)	-	283	273
Capital expenditure (\$ million)	-	-	-
Total number of employees	11	132	187
Employees	8	50	62
Contractors	3	72	125

Brazil

AngloGold Ashanti's operations in Brazil comprise the wholly-owned AngloGold Ashanti Mineração (formerly Morro Velho) and a 50% interest in the Mineração Serra Grande mines.

AngloGold Ashanti Mineração (formerly Morro Velho)

Description: With the closing of the Mina Velha underground mine in 2003 and the Engenho D'Água open-pit in 2004, ore is currently being sourced from the Cuiabá underground mine, (this ore is treated at the Queiroz plant) and from the Córrego do Sítio heap-leach mine.

Location: AngloGold Ashanti Mineração has mining rights over 30,698 hectares in the state of Minas Gerais, in south-eastern Brazil. The AngloGold Ashanti Mineração complex is located in the municipalities of Nova Lima, Sabará and Santa Bárbara, near the city of Belo Horizonte.

Geology: The area in which AngloGold Ashanti Mineração is located is host to historic and current gold mining operations. This is in addition to producing limestone and iron ore from a number of open-pit operations, and is known as the Iron Quadrangle. The geology of the



Iron Quadrangle is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes.

The host to the gold mineralisation is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at Sabara Municipality, has gold mineralisation associated with sulphides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences.

At this mine, structural control and fluids flow ascension are the most important factors for gold mineralisation with a common association between large-scale shear zones and their associated structures. Where BIF is mineralised, such as at AngloGold Ashanti Mineração, the ore appears strongly stratiform due to the selective sulphidation of the iron rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

