

Location: Serra Grande controls, or has an interest in, approximately 21,096 hectares in and around the Crixás mining district in the north-western areas of the Goiás State, in central Brazil. The Serra Grande operations are located 5 kilometres from the city of Crixás.

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antas Formations of the Archaean Pilar de Goiás Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil. The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralisation is associated with massive sulphides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6° and 35°. The stratigraphy is overturned and thrusts towards the east.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock, usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures evident. The ultrabasics form the western edge of the belt and the basic volcanics and sediments form the core of the unit. The northern edge of the belt is in contact with a series of laminated quartzites and quartz sericite schists of the Lower Proterozoic Araxa Group and a narrow band of graphitic schists and intermediate to ultrabasic volcanics. This latter group is known as the Allocthon Mina Dos Ingleses (AMDI) and is host to a series of garimpos workings north of the town of Crixás where the talc schists are mined. The general stratigraphy of this unit is similar to that seen in the main greenstone belt although at a smaller scale. However, the mineralisation in the northern area exhibits a higher level of base metal mineralisation with sphalerite and galena present.

Operating performance: Gold production (50% attributable) decreased by 1% to 94,000 ounces for the year, a result of the lower grade ore treated. Total cash costs increased by 23% to \$134 per ounce, owing to inflationary pressures and a strong local currency.

Adjusted operating profit (attributable) was marginally lower at \$18 million. Capital expenditure (attributable) of \$4 million was spent mostly on primary development, conversion of resources to reserves and mine equipment.

Growth prospects: Exploration work to increase reserves continues at Serra Grande. During 2004, the drilling of geophysical targets has added two more years to the life-of-mine.

Outlook: Production at Serra Grande is expected to decrease by 5% to 89,000 ounces in 2005, owing to lower grades. A total cash cost of \$138 per ounce is forecast. Attributable capital expenditure is expected to be \$6 million.

Serra Grande	2004	2003	2002
Pay limit (oz/t)	0.09	0.08	0.08
Pay limit (g/t)	3.17	2.78	2.85
Recovered grade (oz/t)	0.228	0.230	0.229
Recovered grade (g/t)	7.80	7.88	7.84
Gold production (000oz) – 100%	187	190	187
Gold production (000oz) – 50%	94	95	94
Total cash costs (\$/oz)	134	109	100
Total production costs (\$/oz)	178	163	158
Capital expenditure (\$ million) – 100%	7	7	6
Capital expenditure (\$ million) – 50%	4	3	3
Total number of employees	710	642	630
Employees	514	519	511
Contractors	196	123	119

Ghana

The effective reporting period for the former Ashanti operations is the eight months from May 2004 to December 2004.

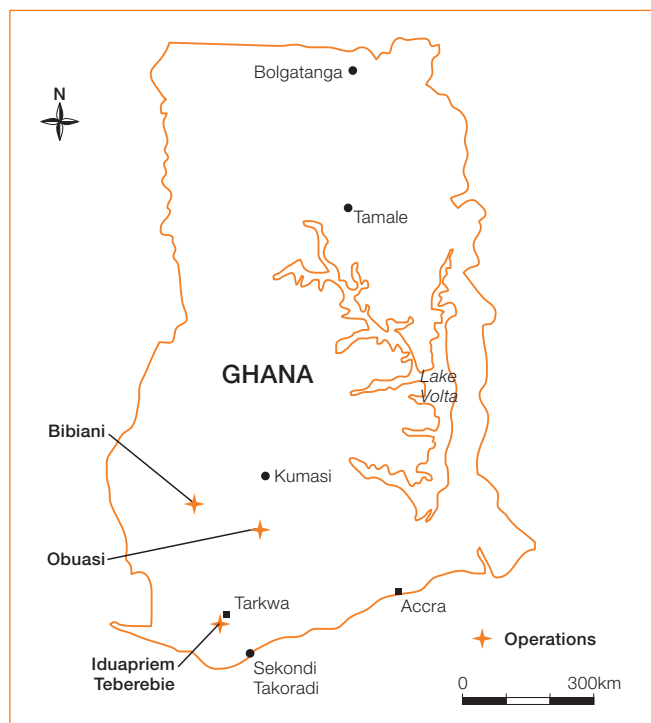
Description: AngloGold Ashanti has three operations in Ghana: the Obuasi mine (which comprises both surface and underground operations), the Iduapriem mine (open-pit) and the Bibiani mine (open-pit with underground development).

Obuasi

Description: Historically, Obuasi has been an underground mine, although there was large-scale surface mining between 1996 and 2000. The mine normally has two active treatment plants: the sulphide treatment plant to process underground ore and the tailings treatment plant to handle tailings reclamation operations. A third plant, the oxide treatment plant, which is used occasionally to batch treat remnant open-pit ore and stockpiles, will be shut down at the end of 2006 following completion of oxide open-pit operations.

Location: The Obuasi mine is located in the Ashanti region of Ghana.

Geology: The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometres in a north-east south-west trend in south-western Ghana. Obuasi mineralisation is shear zone related and there are three main structural trends hosting



gold mineralisation: the Obuasi trend, the Gyabunsu trend and the Binsere trend. Two main ore types are mined:

- quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulphides such as iron, zinc, lead and copper. The gold particles are generally fine grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- sulphide ore which is characterised by the inclusion of gold in the crystal structure of a sulphide material. The gold in these ores is fine grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulphide ore is generally refractory.

Operating performance: Production at Obuasi was hampered for most of the year by both insufficient trackless mining equipment and developed and drilled underground ore reserves. This was exacerbated by periodic ground instability and rock transfer problems which are resolved as they occur. New trackless mining equipment was delivered in September and, along with operator training programmes, is set to incrementally boost tonnages. Re-organisation of the planning and technical functions at Obuasi to restore production to planned levels in 2005 took place during the year. The new Mineral Resources Management department is expected to contribute significantly to the efficiency of the underground operations and to restoring production to planned levels during 2005.

In 2004, adequate processing capacity was available to handle underground ore deliveries and metallurgical recovery was in line with

plan. However, intermittent unplanned mill shut downs and mechanical failures resulted in fluctuating throughput rates and process control difficulties. In December, the SAG I mill motor failed and production had to be redirected to the lower capacity SAG II mill until a new motor was installed. During this period, throughput at the sulphide treatment plant was constrained to approximately 4,500 tonnes per day.

The first phase of the process optimisation system control project for the mill and flotation sections of the plant was successfully completed in the fourth quarter of 2004. The second phase is expected to be completed at the end of the first quarter of 2005 and should show benefits through improved recovery starting in the second quarter.

During the period May to December 2004, gold production from underground sources was 223,000 ounces, achieved from the processing of 1,313,000 tonnes with an average yield of 5.27g/t.

Over the same period, gold production from the tailings retreatment plant amounted to 19,000 ounces recovered from 969,000 tonnes of material with a yield of 0.60g/t. Following the commissioning of the Kokoteasua reclamation project in the third quarter of 2004, the yield declined reflecting the lower grade and recovery expected from this more recently deposited tailings dam.

Gold production from the oxide treatment plant, which handled a total of 294,000 tonnes of material during the period under review, was 14,000 ounces from a yield of 1.49g/t.

Total gold production for the eight months May to December 2004 was 255,000 ounces from the processing of 2.6 million tonnes of material at an average yield of 3.08g/t. Total cash costs of \$305 per ounce were negatively affected by a combination of high fixed costs and the lower-than-planned levels of gold production.

The adjusted operating loss for the period was \$15 million. Capital expenditure in 2004 amounted to \$32 million. The underground mine was the major area of capital expenditure, specifically on mining equipment, the BSVS shaft, primary development and exploration. Other significant areas of capital expenditure included smaller engineering and processing projects such as equipment replacement and the mill processing optimisation system control project.

Obuasi	*2004
Pay limit (oz/t)	0.188
Pay limit (g/t)	6.43
Recovered grade (oz/t)	0.090
Recovered grade (g/t)	3.08
Gold production (000oz)	255
Total cash costs (\$/oz)	305
Total production costs (\$/oz)	426
Capital expenditure (\$ million)	32
Total number of employees	6,747
Employees	6,029
Contractors	718

* For the eight months from May 2004.

Growth prospects: A key aspect of the rationale for the business combination between AngloGold and Ashanti is the development of the deep-level ore deposits at the Obuasi mine currently referred to as Obuasi Deeps. This development could potentially extend the life-of-mine to well beyond 2040. However, this requires an investment of \$44 million over the next five years on further exploration and the necessary feasibility studies. Depending upon the results, the full development of Obuasi Deeps may proceed at the end of this five-year period but could take several years to complete. Initial scoping studies have indicated that the development of Obuasi Deeps will require an estimated capital expenditure of \$570 million in real terms over the anticipated life-of-mine.

Outlook: During 2005, AngloGold Ashanti will continue to work towards improving the mine's gold production to an annualised rate of 500,000 ounces and targeted total cash costs of around \$253 per ounce. Capital expenditure is expected to be \$71 million.

Bibiani

Description: The Bibiani mine was restarted in 1998 as an open-pit mine with a CIL plant. The mine had previously operated between 1903 and 1968 as an underground operation with minor surface quarrying activities. In addition to the open-pit ores, resources at Bibiani include old tailings dumps and underground mineral potential which is presently being explored and evaluated.

Location: Bibiani is located in the Western Region of Ghana, 90 kilometres west of Kumasi.

Geology: The Bibiani gold deposit lies within Birimian metasediments and related rocks which occur in the Proterozoic Sefwi Belt of southern Ghana. Gold and gold-bearing sulphide mineralisation occurs in quartz-filled shear zones and in altered rocks adjacent to those shears. The full strike of the Bibiani structure is at least 4 kilometres. For metallurgical classification there are three main ore types at Bibiani: primary, transition and oxide. Further lithological classification gives four ore types: quartz (generally high grade), stockwork (medium-high grade), phyllites and porphyry (both low grade).

Operating performance: A highwall failure in the northern portion of the main pit at Bibiani in November 2003, followed by the failure of the south pit wall adjacent to the entrance of the underground portal in October 2004, impacted negatively on gold production in 2004. These failures resulted in the covering of ore in both sections of the pit. The south wall slip temporarily restricted access to the underground workings and the bottom of the main pit while the area was being backfilled to buttress the failure zone. Towards the end of the year, mining recommenced in the central portion of the pit but was again suspended for safety reasons in mid-January 2005 as the stability of the access ramp to the base of the pit had deteriorated. Plans to ultimately recover the approximately 40,000 ounces sterilised by the north slip by way of either a major north-west wall cut back or by mining as part of the underground project, for which exploration and feasibility study work are being evaluated.

In 2004, the geotechnical problems in the main pit resulted in the unplanned processing of stockpile material that was both lower in grade and metallurgically more complex. This combined with mechanical problems on the milling and crushing circuit contributed to lower than expected gold production.

As a result, a total of 105,000 ounces were produced from the processing of 1,683,000 tonnes of material yielding 1.93g/t.

A new flash flotation and re-grind mill circuit commissioned in the first half of the year to treat refractory ore had a positive impact on gold recoveries, particularly the metallurgically more difficult stockpile material.

Exploratory drilling was undertaken on both the northern and southern extremities of the Main pit whilst the main ramp was developed down to 9 level and crosscuts established into the old workings on the 6, 7, 8 and 9 levels in the Central section of the mine. The old workings are presently being evaluated geologically and geotechnically by a team of engineers and geologists and this information combined with exploratory diamond drilling results is being used in the preparation of a fully costed underground production plan. A decision on the underground project is expected to be made before the end of the third quarter of 2005.

The average total cash cost was \$251 per ounce, while the adjusted operating loss was \$2 million. Capital expenditure was \$7 million, mainly on exploration and development work associated with the underground project.

Growth prospects: Underground mine development and exploration continues. The focus is on the immediate rehabilitation and geological evaluation of the old workings and the exploration and subsequent development of new mineralisation forming virgin ore blocks both to the south and north of the main pit. Old tailings reclamation re-commenced in December 2004 and is expected to deliver 4.7 million tonnes, at an anticipated recovery grade of 0.60g/t over a period of three years.

Outlook: Gold production is expected to decrease to 101,000 ounces in 2005, at a total cash cost of some \$278 per ounce. Capital expenditure, principally on exploration and underground development, is expected to rise to \$15 million subject to the successful outcome of the feasibility study. In 2005, the smaller satellite pits will be mined out and the processing plant will be fed with a mix of this ore, use of mine stockpile material and old tailings.

Bibiani	*2004
Pay limit (oz/t)	0.020
Pay limit (g/t)	0.70
Recovered grade (oz/t)	0.056
Recovered grade (g/t)	1.93
Gold production (000oz)	105
Total cash costs (\$/oz)	251
Total production costs (\$/oz)	369
Capital expenditure (\$ million)	7
Total number of employees	871
Employees	479
Contractors	392

* For the eight months from May 2004.

Iduapriem

Description: AngloGold Ashanti has an 80% interest in the Iduapriem gold mine, with the balance of 20% owned by the International Finance Corporation. In June 2000, Ashanti acquired a 90% interest in the Teberebie gold mine, which is adjacent to Iduapriem. The government of Ghana has a 10% interest in Teberebie. The combined AngloGold Ashanti interest is 85%. The Iduapriem and Teberebie properties are adjacent to each other and are part of the Tarkwaian gold fields.

Location: Iduapriem mine is located in the Western Region of Ghana, some 70 kilometres north of the coastal city of Takoradi, and 10 kilometres south-west of Tarkwa.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralisation is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Operating performance: Attributable gold production for the eight months in which Iduapriem was part of AngloGold Ashanti was 125,000 ounces from both the CIP and heap-leach processing facilities. Following the expansion of the CIP plant, which involved the installation of an additional mill and an upgrade of downstream processing circuits, throughput was affected by persistent mill and crusher circuit engineering related problems throughout the year. Poor grinding, cyclone and agitator performance caused high levels of leach tank silting and reduced residence time, and resulted in recovery being 90.6% rather than the planned 94.5%.

Higher than expected maintenance costs were incurred on the crushing and milling circuits as a result of abnormal component replacement and spares and consumables consumption patterns and this, combined with the impact of lower gold production, impacted on the cost per ounce performance.

Between May and December 2004, CIP gold production was 121,000 ounces from the processing of 2,181,000 tonnes of ore yielding 1.72 g/t.

To help resolve these issues changes were made to the crushing and milling circuits during the year to optimise the plant in its present hardware configuration. In addition, with the installation of a trash screen to reduce volumetric constraints in the CIL circuit, a fourth leach tank was constructed to improve residence time and recovery. However, the overall impact was an increase in the cost per tonne and this in-turn impacted negatively on pit optimisation and ore reserves.

A mine-to-mill study is presently being undertaken to determine the optimum performance of the existing plant and to examine other options to reduce operating cost per tonne to levels that would allow

open-pit reserves to be increased and to enhance the NPV of these deposits.

Following an economic evaluation which indicated that due to low recoveries, the ores which were being heap-leached would be more economically treated through the CIP plant, the crushing and stacking of heap-leach ore was suspended in May 2004. For the period May to December 2004, gold production was 3,000 ounces from the 9,000 tonnes stacked and the wash out of the pads.

Total cash costs at \$303 per ounce were higher than planned, a result of decreased production and high crushing and processing costs. The adjusted operating loss was \$5 million. Attributable capital expenditure was \$3 million, and was spent mainly on retro fitting work on the CIP plant.

Growth prospects: In 2005, re-engineering studies principally focused on the crushing and CIP plants, but covering the entire business, will be undertaken with a view to reducing the cost per tonne and increasing the number of ounces in the ore reserve and the NPV of the properties.

A scoping study will also be undertaken to evaluate the economics of exploiting the considerable low grade mineral resources of the GAG and TGL properties which lie in the Tarkwaian conglomerates extending below the economic limit of the open-pits.

Outlook: Attributable gold production is expected to reach 206,000 ounces in 2005, at a total cash cost of \$261 per ounce. Capital expenditure of \$21 million will principally be applied to increasing throughput at the CIP plant.

Iduapriem	*2004
Pay limit (oz/t)	0.022
Pay limit (g/t)	0.76
Recovered grade (oz/t)	0.051
Recovered grade (g/t)	1.76
Gold production (000oz) – 100%	147
Gold production (000oz) – 85%	125
Total cash costs (\$/oz)	303
Total production costs (\$/oz)	423
Capital expenditure (\$ million) – 100%	4
Capital expenditure (\$ million) – 85%	3
Total number of employees	1,306
Employees	709
Contractors	597

* For the eight months from May 2004.