

Tanzania

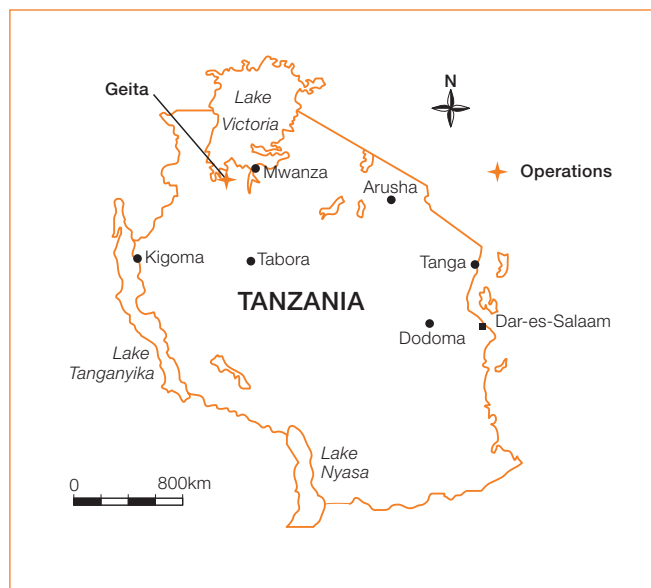
Geita

Description: Prior to April 2004, Geita was managed under the joint venture agreement between Ashanti and AngloGold. Since the business combination between the two companies, Geita is now a wholly-owned subsidiary. Geita is a multi-pit operation, with a 6 million tpa CIL plant.

Location: The Geita mine is located 80 kilometres south-west of the town of Mwanza.

Geology: Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralisation is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralisation can occur in the diorite as well (usually in association with BIF-hosted mineralisation), and approximately 20% of the gold is hosted in the diorite.

Operating performance: At Geita, attributable production increased by 72% to 570,000 ounces, largely as a result of the acquisition of the remaining 50% of Geita on 26 April 2004. A year-on-year comparison of



Geita on a 100% basis shows an increase in gold production of 5% to 692,000 ounces as a result of a 4% increase in recovered grade to 3.74g/t. Total cash costs increased by 37% to \$250 per ounce due to significant increases in mining contractor and diesel costs. Adjusted operating profit fell by 32% to \$23 million. Capital expenditure of \$13 million for the year was spent mainly on brownfields exploration, sterilisation drilling, dewatering projects and plant improvements.

Growth prospects: Exploration from 2005 will focus on the identification and generation of resources to the inferred category, from largely regional targets developed in 2004. The life-of-mine production schedule will dictate as and when these inferred resources are converted into reserves. The underground potential of the Geita Trend will be investigated once the optimisation of the open-pit/underground interface has been completed.

Outlook: Gold production is set to decrease by 10% in 2005 to 628,000 ounces, at a total cash cost of \$253 per ounce. Capital expenditure should increase by 107% to \$29 million, with the main capital expenditure items being exploration, the purchase of an ore haulage fleet and tailings dam upgrades. The feasibility of owner-mining will be examined during 2005.

Geita	2004	2003	2002
Pay limit (oz/t)	0.09	0.06	0.07
Pay limit (g/t)	2.81	2.16	2.13
Recovered grade (oz/t)	0.109	0.105	0.106
Recovered grade (g/t)	3.74	3.60	3.62
Gold production (000oz) – 100%	692	661	579
Gold production (000oz) – 100% attributable from May 2004	570	331	290
Total cash costs (\$/oz)	250	183	175
Total production costs (\$/oz)	328	223	228
Capital expenditure (\$ million) 100%	14	20	17
Capital expenditure (\$ million) 100% attributable from May 2004	13	10	9
Total number of employees	2,256	2,080	1,737
Employees	661	643	580
Contractors	1,595	1,437	1,157

