

In 2004, AngloGold Ashanti's exploration activities continued to support the group's growth strategy, primarily to extend and replace existing production ounces by sustaining or growing existing operations (through brownfields exploration) and to discover new mines in new areas (through greenfields exploration). Activities are focused on finding long-life, economic orebodies by utilising multi-disciplinary teams and appropriate state-of-the-art technology.

Exploration continued to focus around the group's operations in Argentina, Australia, Brazil, Ghana, Guinea, Tanzania, Mali, Namibia, South Africa and the USA. In the more mature exploration areas in Africa, Australia and Canada, the group's exploration activities were rationalised, however, there was increased emphasis on the group's new frontiers exploration strategy with exploration teams active in the Democratic Republic of Congo (DRC), Colombia, Alaska, South East Asia, China and Russia. During the year, efforts were also focused on the rationalisation of the Ashanti and AngloGold exploration portfolios in Africa.

The outcome is a more balanced exploration portfolio consisting of mature and established areas and new prospective areas in under-explored regions. In line with this strategy, the following initiatives were concluded during the year:

- an equity investment in Trans-Siberian Gold in Russia;
- an equity investment and conclusion of a strategic alliance in the Philippines with Red 5 Ltd; and
- the conclusion of an exploration alliance with Oxiana Ltd in Laos.

2004 Exploration expenditure by country (\$m)

Country	Brownfields	Greenfields	Total
South Africa	2	–	2
Argentina	3	–	3
Australia and SE Asia	6	4	10
Brazil	10	1	11
Ghana	4	3	7
Guinea	4	–	4
Mali	5	3	8
Namibia	1	–	1
Peru	–	7	7
Tanzania	4	1	5
United States	4	2	6
Corporate	1	5	6
New frontiers			
Alaska	–	3	3
China	–	1	1
Colombia	–	2	2
DRC	–	2	2
Mongolia	–	3	3
Total	44	37	81

These initiatives demonstrate the group's commitment to engaging junior exploration companies and are aimed at unlocking the gold potential by combining AngloGold Ashanti's technical expertise with the partner's in-depth country knowledge and operating experience.

During the year, \$37 million of exploration expenditure was incurred in greenfields exploration in Colombia, Peru, Alaska, Mongolia, Mali, Ghana and the DRC. Total exploration expenditure amounted to \$81 million, of which \$44 million was spent on increasing and converting near and in-mine resources. Brownfields exploration added 7.7 million attributable ounces to the global Mineral Resource at an average cost of \$5.58 per ounce. Exploration expenditure for 2005 is expected to reach some \$90 million.

Argentina

At Cerro Vanguardia in Argentina exploration continued to focus on the delineation of additional Mineral Resources and added 260,000 ounces to the Mineral Resource. Drilling of the Zorro, Gabriela and Liliana veins highlighted continued upside in under-explored veins within the greater licence area.

A number of properties held by Cerro Vanguardia in Patagonia were farmed out to Exeter Resources. The properties cover a total area of 1,047 square kilometres in 39 individual tenements.

Australia

Drilling at Sunrise Dam focused on underground targets that are accessible from the Daniel decline and added 140,000 ounces to the Mineral Resource. Near-mine activities concentrated on delineating oxide Mineral Resources to the north of the pit. The Jasper Hills tenements situated 60 kilometres east of Sunrise Dam were acquired from Crescent Gold Limited, formerly Apollo Gold. Strike extensions to the Lord Byron deposit were drill tested with moderate results. Further regional targets were also drill tested and require further follow-up.

At the Yamarna greenfields project in Western Australia (a joint venture with Terra Gold Mining, formerly Aurex), diamond drilling tested various targets in the southern area, intersecting extensive alteration with low gold values. Aircore drilling in the northern area defined a large geochemical anomaly requiring further testing.

At the Tropicana East project (a joint venture with Independence Group NL), diamond drilling was in progress at the end of 2004 testing the depth potential of previously identified mineralisation. Wide-spaced geochemical sampling identified further targets that require follow up.

In the Northern Territory, AngloGold Ashanti and Newmont Australia have agreed that AngloGold Ashanti will exit the Tanami Mine JV and the Central Desert JV, which includes the Tanami Mill and associated infrastructure and tenements.

A number of projects in Western Australia were divested in 2004 as they did not meet AngloGold Ashanti's target criteria.

Brazil

Brownfields activities in Brazil focused on properties in the Iron Quadrangle. At Córrego do Sítio underground exploration access

development and surface and underground drilling at Cachorro Bravo has identified an initial Mineral Resource of 3.9 million tonnes at 9.01g/t for 1.1 million ounces. Drilling two kilometres to the north of Cachorro Bravo at Carvoronia/Velha Bocaina confirmed the extension of previously identified oxide mineralisation below the base of weathering, over a down-plunge length of approximately 900 metres.

At the Lamego project near the Cuiabá mine, an exploration ramp is being developed to access and explore the Carruagem (PA zone), which is situated at the northern extremity of the Lamego fold structure. Drilling confirmed multiple mineralised horizons at the southern extremity of the Lamego structure at Cabecá da Pedra. Potential ore from Lamego is planned to be added to the Cuiabá expansion project, which was approved by the board in January 2005.

Three surface boreholes drilled in the Gandarela Project (joint venture with IAMGOLD) in the Iron Quadrangle for conglomerate hosted gold mineralisation failed to intersect the target horizon.

At the Tocantins project (a joint venture with IAMGOLD), situated approximately 500 kilometres north-east of Crixás, follow up reverse circulation (RC) and diamond drilling of three targets failed to generate economic drill intercepts. AngloGold Ashanti is negotiating with IAMGOLD to withdraw from the Gandarela joint venture and dilute its participation at Tocantins.

At the Crixás mine (a joint venture with Kinross), surface drilling focused on the delineation of potential open-pit Mineral Resources within the lease area. Mineralisation within the Forquilha Sul (Corpo IV) ore shoot was established over a down-plunge length of over 1,100 metres at grades of up to 7g/t, but no additional high-grade underground Mineral Resources were discovered.

Canada

Limited exploration was conducted at the West End project within the Red Lake area of Canada and the project will be farmed out.

China

A representative office has been established in Beijing to seek exploration and business opportunities in China.

Colombia

Greenfields exploration in Colombia focused on several regional reconnaissance programmes and has thus far generated a number of targets for detailed follow-up and drilling in 2005.

Democratic Republic of Congo (DRC)

A field camp was established at Mongbwalu in the eastern DRC. However, due to logistical issues the planned drilling programme at the Kilo project was delayed until early 2005.

Ghana

In Ghana at Obuasi, underground exploration focused on the below 50 Level Deeps project where results from drilling remain encouraging. Drilling of the West Lode sulphide orebody on the 32 Level project also yielded positive results. A drilling contractor was selected to drill two

3,000 metre-deep surface holes in the Deeps project, with a further six holes planned to complete the initial phase. Drilling is planned to commence in the third quarter of 2005.

At Bibiani, exploration focused on locating additional underground Mineral Resources along the main Bibiani structure. Results appear to be encouraging on the northern extension of the deposit.

Limited greenfields work was completed in Ghana in the Hebron, Subriso and Sefwi project areas, each within 60 kilometres of the Bibiani mine.

No exploration work was undertaken at Iduapriem.

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Guinea

At Siguiri, exploration focused on the delineation of additional surface Mineral Resources adding 289,000 ounces to the Mineral Resource from Kosise South and Kozan South. In 2005, target generation will be directed both locally around the mine site and regionally within the four blocks that make up the 1,500 km² concession.

Laos

An exploration alliance was established with Oxiana Limited targeting new mineralisation in Laos.

Mali

Phase VII of the deep sulphide infill drilling programme at Sadiola was completed. A pre-feasibility study to assess the economic potential of the deep sulphides is planned to be completed by the end of 2005.

Satellite oxide exploration continued to produce positive results from extension drilling between the FE3 and FE4 pits. At FE3 resource modelling is in progress on the southern extension. Further target generation within the Sadiola lease area has identified additional oxide targets that require follow-up drilling in 2005. A total of 161,000 ounces have been added to the Mineral Resource at FE3 and FE4 by drilling. Additions from oxides however have been offset by a decrease in the Mineral Resource from the Deep Sulphides due to increased drilling information, new modelling and a revised scoping study.

At Yatela, satellite oxide drilling on two geophysical targets situated to the south of the pit produced negative results. Infill drilling at KW18, situated 2 kilometres to the south-west of the pit, generated 21,000 ounces in the Inferred Mineral Resource category. Drill testing of the sulphide potential below the existing oxide Mineral Resource at Amatoula intersected uneconomic gold values.

At Morila, a small Inferred Mineral Resource has been generated at Domba, situated 8 kilometres north of the pit. Pit contiguous drilling of the Morila Shear zone extension added 71,000 ounces to the Mineral Resource. Drilling of the Samacline target to the north-west

of the pit intersected encouraging gold grades at depths between 300 and 500 metres below surface which will be followed up by drilling. Drill testing of stratigraphic targets generated from regional target generation in the lease area yielded negative results.

Follow-up rotary airblast and reverse circulation drilling was completed in southern Mali at the Garalo, Kola and Kalaka properties, with further follow-up drilling required at Kalaka in 2005. Initial soil sampling programmes were completed on new permits situated 120 kilometres north of Sadiola and at Bassala in southern Mali, immediately west of the Kordieran and Kalana properties.

Mongolia

Two projects in the southern Gobi were drill tested with negative results on the porphyry target at Ikh Shank, however, initial reverse circulation and diamond drill hole results from Altan Uul are promising and will require further testing. At the Tsagaan Tolgoi prospect in north western Mongolia, reverse circulation drilling was conducted on a mesothermal quartz vein system with results pending. Further target generation and third party property appraisals are continuing.

Namibia

At Navachab, drilling of Anomaly 16, situated 5 kilometres south-west from the pit, delineated an initial Inferred Mineral Resource of 178,000 ounces at 1.03g/t. Further drilling is required to delineate the strike and down dip potential. Drilling of the previously identified mineralisation at Grid A, situated 5 kilometres north of the pit, yielded positive results with Resource definition drilling in progress. Exploration activities added 350,000 ounces to the Mineral Resource in 2004.

Peru

Three prospects were drilled in Peru in 2004 and exploration continued on further multi-disciplinary target generation, ground truthing and third party property-scale investigations in several parts of the country. Metallurgical studies and a scoping study were completed at the La Rescatada project in southern Peru. A 50% operational interest in La Rescatada was divested to a local mining company Minera Aruntani. AngloGold Ashanti signed a letter of intent with Absolut Resources to acquire all the rights to AngloGold Ashanti's exploration projects and a geochemical database in Northern Peru. Under the agreement, AngloGold Ashanti was issued shares and share warrants in the company. The Pichacani property in southern Peru was optioned to Bear Creek, which also acquired the Ninobamba silver project from AngloGold Ashanti in 2003.

Philippines

In the Philippines, AngloGold Ashanti has taken an investment in Red 5 Limited and formed a strategic alliance to explore their ground holdings in the vicinity of the Siana project.

Russia

In Russia AngloGold Ashanti provided Trans-Siberian Gold plc with geological input at both the Veduga and Asacha projects. Drilling is in progress at both these projects in an effort to increase the Mineral Resource.

South Africa

A scoping study of the Goedgenoeg project contiguous to Tau Lekoa has indicated that the project will not be viable. Surface drilling at Moab Khotsong intersected encouraging grades, confirming the existing geological model. Further surface drilling is in progress to evaluate the Vaal Reef to the south-west of Kopanang.

Tanzania

Diamond drilling of the Geita Hill down dip extension mineralisation continued in order to optimise the open-pit and potential underground interphase. Step-out drilling continued to the north-east at Geita Hill, tracing gold mineralisation along strike and down dip to define areas for infill drilling. Additional drilling information from Nyankanga West and Geita Hill defined an additional 800,000 ounces to the Mineral Resource in 2004.

Exploration activities were temporarily suspended at the Kigosi North (TanRange joint venture) prospect located 150 kilometres south-west of Geita due to permitting issues.

United States

In the United States at CC&V in Colorado, drilling focused on resource expansion at the Wild Horse Extension (WHEX) project. A total of 765,000 ounces were added to the Mineral Resource. Drill testing of a new exploration target in the Hosier Pass area has identified a sheeted-vein system which will be followed up in 2005.

After the cessation of Nevada greenfields activities in 2003, the exploration office in the USA was relocated to Denver, Colorado.

Greenfield activities have expanded in the Alaska frontier region with a major increase in land holdings and the drilling of three new district-scale targets. Activities are focused in the Tintina Gold Belt with an integrated target generation and evaluation programme. 2004 drill projects included the ER and Eagle targets (JV with Rimfire Minerals) and the Livengood target areas. The ER and Eagle results however, did not meet the initial AngloGold Ashanti economic hurdle rates and will be farmed out to third parties with claw-back options.

Reconnaissance work identified three new gold targets in the Pogo region which will be drill tested in 2005.

Drilling at Livengood defined a large sub-economic gold system which requires follow-up drilling in 2005.