



06

Country Report
Namibia
Navachab



ANGLOGOLD ASHANTI



Contents

3. Message from Gerry Arnat
4. Our profile
5. Our mission, values and business principles
6. Background
6. Economic and financial performance
7. Government remittances
8. Mineral resources and ore reserves
9. Occupational safety and health
Case study: Fatigue management programme
11. Regional health
12. Human resources
14. Environment
17. Community
19. Contact information

About this report

AngloGold Ashanti is committed to reporting to a broad range of stakeholders on its operational and financial performance as well as its economic, social and environmental performance.

For the 2006 financial year, AngloGold Ashanti's Annual Report comprises:

- the Annual Financial Statements, which are available on request or at (www.aga-reports.com); and
- the Report to Society, which is available as a printed document, and a more extensive Report to Society on our website (www.aga-reports.com) which includes additional information, including case studies and country reports, of which this is one.

Together these reports seek to present a fair and balanced reflection of the group's operation and performance, its objectives, values, business principles, and the major issues and challenges that it is facing

** Throughout this report, dollar or \$ refers to US dollars, unless otherwise stated.*

Introduction

The first gold-bearing quartz veins were discovered in Namibia in the Rehoboth district as early as 1899. Although many prospects opened up and were exploited in 1933 and 1934, all later closed down, mainly because of the low and erratic grade of the mineralisation. The Navachab gold deposit was discovered as a result of a geochemical exploration programme in 1984 during exploration for carbonate-hosted gold deposits. Navachab has been in production since 1989, and is the only gold mine in Namibia. AngloGold Ashanti's interest in Navachab dates back to 1998, when it bought a 70% stake in the mine. In 1999, it increased its stake from 70% to 100%.

Message from Gerry Arnat

2006 was a good year for Navachab. We enjoyed another fatality-free year, although our Lost Time Injury Frequency Rate (LTIFR) increased from 3.02 (2005) to 4.09 (2006). We recorded our first lost-time injury in April after an incident-free period of seven months and subsequently experienced a further three lost-time injuries, ending the year with a total of four lost-time injuries. Investigations into work-related safety have highlighted the importance of shop-floor risk assessment as a primary tool in reducing injuries at the workplace. Navachab remains committed to bringing down the number of workplace injuries, and has adopted a 100% compliance approach to the implementation of all health and safety standards and procedures.

The gold price remained favourable throughout the year. We received an average price of N\$131,942 per kilogram sold which was well above our budgeted price and this assisted us in exceeding our budgeted net profits.

Mining got off to a very slow start in January, mainly because of above normal rainfalls in the area which resulted in a huge production backlog early in the year. The second half of 2006 went well though: we managed to make up the backlog and exceeded our target gold production, achieving 86,200oz for the year. The risk associated with Navachab's single-line operation system (single crusher and single mill) was well managed through high-quality, scheduled maintenance work and the availability of strategic spares.

Mining in the main pit concentrated on the eastern push-back expansion area, north pits 1 and 2 as well as at the Grid A satellite pit. The main pit will reach pit bottom in 2011 while mining in the smaller pits will cease by the end of 2008. With an improved gold price and continued reductions in our operational costs, further expansion of the pit on the western side becomes viable.

The Ministry of Mines and Energy imposed a royalty payment of 3% on gross revenue for gold mining operations in November 2006. This, together with the high taxation of the mining industry, will have a significant impact on the mine's ability to fund its stay-in-business capital from 2007 onwards. Clearly this also limits opportunities for any further expansion. Discussions regarding a possible reduction in the high tax – at 37.5% – continue with the Ministry.

We currently have seven bursary students studying towards mining-related qualifications in South Africa. We have had a renewed focus on training and development, and in 2005 we successfully presented a programme to our employees to enhance their understanding of the business of gold mining. In addition, a personal development plan has been put in place for each employee. Our aim is to enable all our people to reach their full potential.

In conclusion, our people remain our most important asset and I would like to thank our employees for their effort during the year and look forward to a safe and productive 2007. We at Navachab remain fully focused on delivering value for our shareholders, working closely with all stakeholders in pursuit of our strategic intent (optimally maximising our resource base) and achieving our safety vision of 100% Safety for Gold.

Gerry Arnat
General Manager: Navachab
20 March 2007



We enjoyed another fatality-free year although our Lost Time Injury Frequency Rate (LTIFR) increased from 2.95 (2005) to 4.09 (2006).

NAVACHAB – NAMIBIA

Operation Report 2006

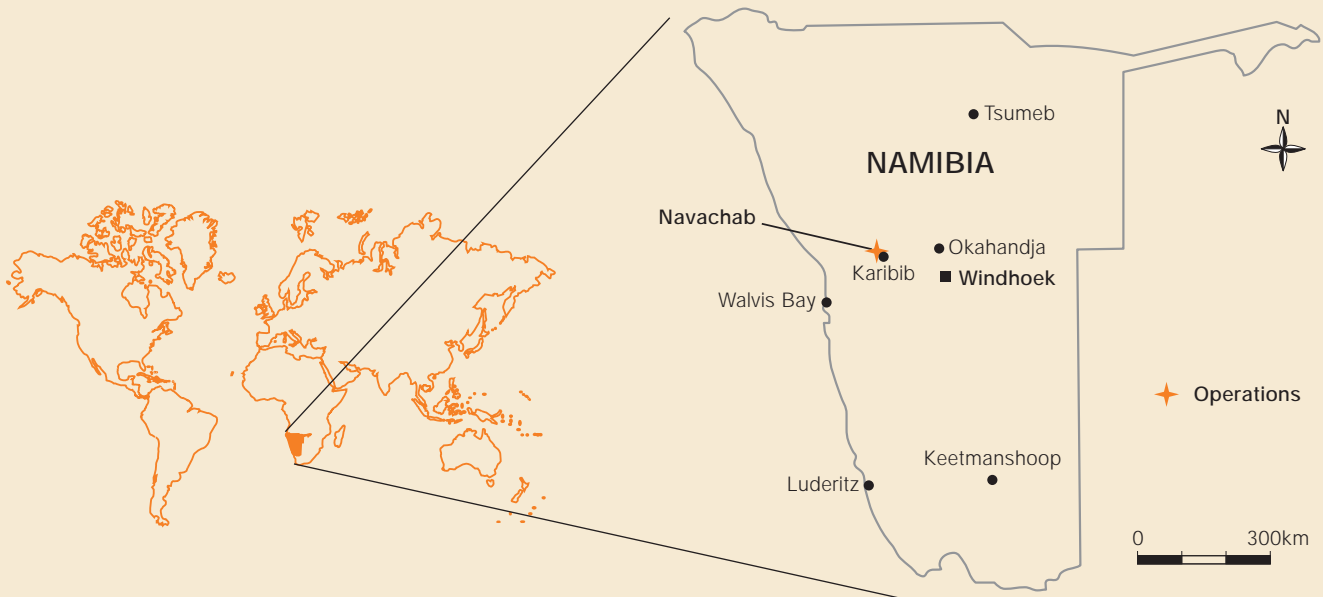
AngloGold Ashanti is one of the world's leading gold producers, with a varied portfolio of assets and orebody types in key gold-producing regions around the world. At the end of 2006, the company had 21 operations located in 10 countries (South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States) on four continents, together with a substantial project pipeline and a focused, global exploration programme.

AngloGold Ashanti produced 5.6Moz of gold in 2006, of which 2.6Moz (46%) came from deep-level hard-rock operations in South Africa and the balance of 3Moz (54%) from the shallower and surface operations around the world. Greenfields exploration is under way in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Alaska, Russia, China, the Philippines and Laos.

The Navachab mine is the company's only interest in the south west African country of Namibia. In 2006, gold production amounted to 86,000oz (1.5% of group production). Also, in 2006, the company employed on average 313 people, 98% of whom are Namibians.

AngloGold Ashanti is a values-driven organisation and our values and business principles underpin all that we do. This applies equally to our approach to sustainable development. Thus, our values guide our relations with all those that have an interest in the business – our stakeholders – and inform our business principles that govern those relationships. We measure our performance against our stated values and business principles and report our progress against these in this document.

ur profile





AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they more accurately reflect the group's purpose and the way in which it does business.

ur mission & values

AngloGold Ashanti's mission

Our business is gold. We consistently strive to create value for everyone with a stake in our company, by finding and mining gold and by developing the market for our product.

Our values

AngloGold Ashanti consistently strives to generate competitive shareholder returns. We do this by replacing profitable gold reserves and by continuously improving the performance of our key resources – our people, our assets and our product. We conduct ourselves with honesty and integrity.

We provide our employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. We embrace cultural diversity.

Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free of occupational injury and illness.

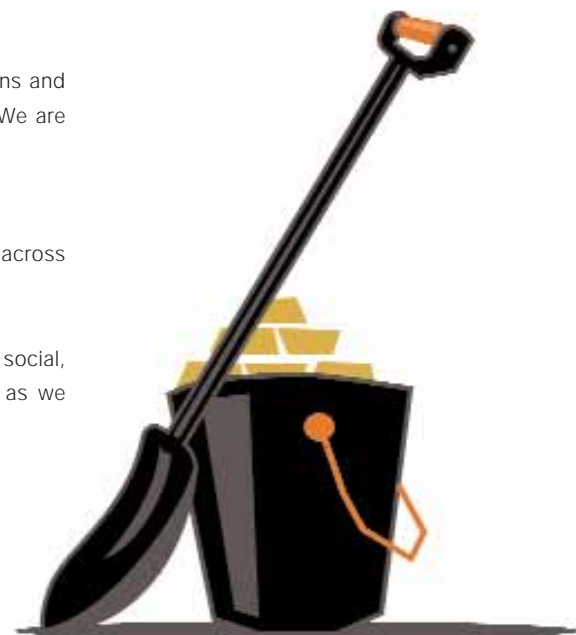
We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally responsible way.

Our business principles

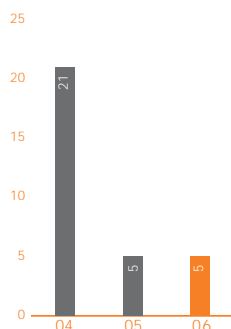
We live our values through our business principles. These principles are applicable across AngloGold Ashanti and in all the countries in which we do business.

They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values. These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

- AngloGold Ashanti – a responsible and ethical corporate citizen
- AngloGold Ashanti and the environment
- AngloGold Ashanti as an employer – safety and health
- AngloGold Ashanti in the community
- AngloGold Ashanti as an employer – labour practice



Capital expenditure (\$m)
Navachab



Background

Ownership: Wholly owned by AngloGold Ashanti

Location: Situated 10km south-west of Karibib and 170km north-west of Windhoek on the southern west coast of Africa.

Mining and processing: Navachab is an open-pit mine. Its processing plant, with a production capacity of 110,000tpm, includes mills, carbon-in-pulp (CIP) and electro-winning facilities.

Geology: The Navachab deposit is hosted by Damaran greenschist-amphibolite facies, calc-silicates, marbles and volcano-clastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralised zone forms a sheet-like body which plunges at an angle of approximately 20° to the north-west. The mineralisation is predominantly hosted in a sheeted vein set (±60%) and a replacement skarn body (±40%). The gold is very fine-grained and associated with pyrrhotite, and minor trace amounts of pyrite, chalcocopyrite, maldonite and bismuthinite. Approximately 80% of the gold allows for free milling.

Economic performance

Operating performance: In 2006 gold production rose by 6% to 86,000oz as increased tonnage throughput offset the effect of a decline in grade from 2.05g/t to 1.81g/t. Total cash costs decreased by 17% to \$265/oz as a result of the increase in gold production, as well as the benefits associated with a stronger US dollar in the third and fourth quarters of the year.

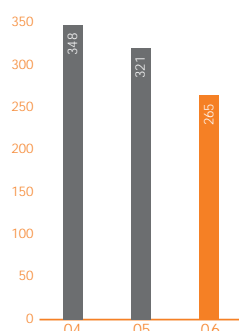
Gross profit adjusted for the effect of unrealised non-hedge derivatives and other commodity contracts more than doubled to \$22 million as a result of increases in both production and the price received.

Capital expenditure remained steady at \$5 million and was incurred mainly on preparation for mining of the Grid A satellite orebody and treatment plant optimisation.

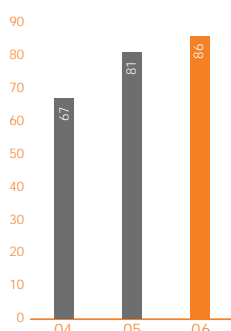
Growth prospects: Historical studies on a potential pit expansion, which was previously considered uneconomical, are being reviewed given the current outlook for the gold price. Several brownfields prospects situated within trucking distance are currently under investigation.

Outlook: With the lower expected yields, total production at Navachab is estimated to decline slightly in 2007 to around 80,000oz. Total cash costs are forecast to rise to approximately \$359/oz, with capital expenditure anticipated to increase to \$5 million (N\$33 million). This will be spent mainly on a plant upgrade to accommodate higher tonnes in the future, as well as on brownfields exploration.

Total cash costs (\$/oz)
Navachab



Gold production (000oz)
Navachab



NAVACHAB – NAMIBIA

Operation Report 2006

| Navachab | | 2006 | 2005 | 2004 |
|---------------------------|-------------|-------|-------|-------|
| Pay limit † | (oz/t) | 0.04 | 0.05 | 0.05 |
| | (g/t) | 1.29 | 1.65 | 1.46 |
| Recovered grade †† | (oz/t) | 0.053 | 0.060 | 0.046 |
| | (g/t) | 1.81 | 2.05 | 1.59 |
| Gold production | (000oz) | 86 | 81 | 67 |
| Total cash costs | (\$/oz) | 265 | 321 | 348 |
| | (N\$/oz) | 1,794 | 2,043 | 2,158 |
| Total production costs | \$/oz | 348 | 326 | 389 |
| | (N\$/oz) | 2,356 | 2,075 | 2,411 |
| Capital expenditure | \$ million | 5 | 5 | 21 |
| | N\$ million | 33 | 33 | 130 |
| Total number of employees | | 313 | 315 | *251 |
| Employees | | 313 | 315 | 251 |
| Contractors | | - | - | - |

† The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the total cash cost including Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).

†† The recovered mineral content per unit of ore treated.

* No mining labour, contract or otherwise, was on site during the first half of 2004.

Government remittances

Taxation of \$4 million (N\$27.1 million) was provided for in 2006 with \$190,869 paid in royalties.



Mineral resources and ore reserves

Ore Reserves and Mineral Resources are reported in accordance with the minimum standard described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 edition) and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the SAMREC 2000 Code). Mineral Resources are inclusive of the Ore Reserve component unless otherwise stated.

AngloGold Ashanti had Mineral Resources of 181.6Moz and Ore Reserves of 66.9Moz in December 2006. Of these, Navachab accounted for Mineral Resources of 3.8Moz and Ore Reserves of 0.7Moz.

| Mine/Project | Resource category | Tonnes (000s) | Metric | Contained Gold grams (000s) | Imperial | | |
|---|-------------------|---------------|-------------|-----------------------------|----------------|--------------|------------------------------|
| | | | Grade (g/t) | | Tons (000s) | Grade (oz/t) | Contained Gold ounces (000s) |
| Ore reserves (as at 31 December 2006) | Proved | 5,315 | 1.08 | 5,755 | 5,859 | 0.03 | 185 |
| | Probable | 10,140 | 1.63 | 16,519 | 11,177 | 0.05 | 531 |
| | Total | 15,456 | 1.44 | 22,275 | 17,037 | 0.04 | 716 |
| Mineral resources (as at 31 December 2006) | Measured | 11,444 | 0.81 | 9,283 | 12,615 | 0.02 | 298 |
| | Indicated | 53,755 | 1.29 | 69,083 | 59,255 | 0.04 | 2,221 |
| | Inferred | 33,659 | 1.16 | 38,930 | 37,102 | 0.03 | 1,252 |
| | Total | 98,858 | 1.19 | 117,297 | 108,972 | 0.03 | 3,771 |



Occupational safety and health

One of AngloGold Ashanti's core values relates to the safety and health of employees. It states that every manager and employee takes responsibility for health and safety; and all strive to create workplaces that are free from occupational injury and illness.

The company is committed to complying with all relevant occupational health and safety laws, to implementing safety and health systems based on internationally recognised standards, and to providing a working environment conducive to safety and health. While safety and health is regarded as a prime responsibility of management (from executives down to supervisors), AngloGold Ashanti strives for employee involvement and consults with employees to gain their commitment.

All the necessary resources – a system of medical surveillance and the provision of protective equipment, for example – are made available to enable compliance with the company's safety and health principles. Deliberate breaches in standards and procedures are not tolerated and risk assessments are conducted to anticipate, minimise and control occupational hazards.

Performance in terms of safety and health objectives is measured and the effects of the company's operations monitored on a regular basis. AngloGold Ashanti communicates openly on safety and health issues with employees and other stakeholders and ensures that at all levels employees receive appropriate training. Contractors are required to comply with the company's safety and health principles.

Following the liquidation of the South Africa-based National Occupational and Safety Association (NOSA), which was used by a number of operations in terms of specifications for safety management systems and external auditing and certification, the company is moving towards the implementation of an alternative specification, Occupational Health and Safety Assessment Series (OHSAS) 18001. The series provides both a framework for identifying business risks associated with safety and health, and guidelines for implementation and achieving certification. The series has international acceptability which facilitates benchmarking.

Managing safety and health

Navachab recorded another fatality-free year but the mine's Lost Time Injury Frequency Rate increased from 3.02 per million man-hours in 2005 to 4.09 in 2006. The number of shifts lost through injuries fell from 116 in 2005 to 45 in 2006.

Significant emphasis is placed on safety. Individuals are encouraged to report safety issues to their supervisors who are responsible for safety and health in their areas. Employees can also liaise with their safety and health representatives or use the mine's formal incident reporting system.

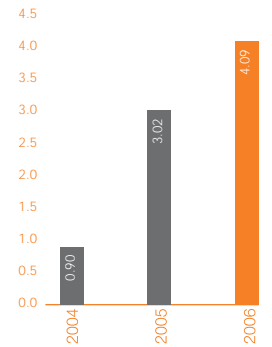
In February 2006 one-third of the workforce (including peer educators, safety and health representatives, shop stewards and supervisors) was invited to attend a health and safety workshop.

An occupational health and safety agreement with Mineworkers Union of Namibia (MUN) has been in place for 10 years. The agreement includes such issues as safety representatives, safety committees and meetings, safety inspections and the investigation of incidents. MUN is represented in the mine's Health and Safety Steering Committee.

Risk assessments are conducted in order to identify potential risks and to either reduce or eliminate these. Navachab employs external consultants to conduct risk assessments of specific issues such as the stability of the pit slope and of the tailings storage facility.

Because the mine operates on continuous rotational shifts, fatigue is considered one of the highest safety risks at the mine. This is being addressed (see case study below).

LTIFR – Navachab
(per million man-hours worked)





Case study

Fatigue management programme

Sleep disturbance and sleep deprivation, and the resultant fatigue, are health risks associated with long working hours or shift work and clearly can have negative consequences for occupational safety and productivity. During 2006, a fatigue management programme was implemented at Navachab. The introduction of the programme was prompted by an increasing industry-wide focus on the topic and as part of a proactive risk management intervention.

“The major risk we identified was a lack of knowledge of how fatigue can be identified and managed,” says Navachab General Manager Gerry Arnat. “The remoteness of the mine’s location, shift schedules and hours of work are all relevant, but the main objective of a fatigue management programme is to create a climate in which employees feel able to advise their supervisors that they are fatigued, without fear of being disciplined. It’s also important to equip employees with understanding of the causes of fatigue and of how it can be managed.”

In May 2006, Australian fatigue management consultant Peter Simpson was commissioned to carry out an assessment at Navachab mine. This took the form of a series of participatory workshops involving mining operators and organised labour. This was followed by the development of a code of practice, a fatigue management training programme and an intensive awareness campaign. Communication channels used in the campaign included face-to-face briefing sessions, posters and booklets.

The code, developed with the involvement of unions, management and operators, specifies responsibilities and includes a comprehensive risk matrix and a procedure to be followed in fatigue identification and management.

Key concepts in the training campaign are the importance of self- and peer-management, and the creation of an environment where fatigue is closely monitored by supervisors. “We also stress the potential of after-hours social activities resulting in fatigue on the following day, and the importance of self-managing this aspect,” says Arnat.

A fatigue management tool has also been developed and has become an integral part of the mine’s incident investigation procedure. This entails using a fatigue checklist to indicate, among other things, the time of the day which the incident took place, evaluating the person’s pre-shift sleep patterns, the recent shift schedule history, the shift break procedure and so forth. The checklist gives a good indication as to whether the incident could have been fatigue-related or not.

Navachab changed from contract to owner mining in 2004. The change was beneficial to fatigue management, as it involved changing from a two-shift roster of 12 hours each to a three-shift arrangement. Reducing length of shifts reduced the risk of fatigue, but the change also necessitated recruiting a number of new employees, 80% of whom had no experience and required extensive training. This naturally raised the general safety risk.

Rest periods have been introduced for operators, and additional monitoring is applied during the high-risk period between 02:00 and 06:00 in the morning, when research has shown the body’s resistance and concentration levels to be at their lowest.

No major changes to the current programme are planned for 2007. “We will review the code to assess its effectiveness,” says Arnat “and will continue benchmarking within the international mining industry to establish whether any new developments should be incorporated into our programme.”

NAVACHAB – NAMIBIA

Operation Report 2006

Navachab has an occupational health clinic on site where employees are treated and where they undergo regular medical assessments.

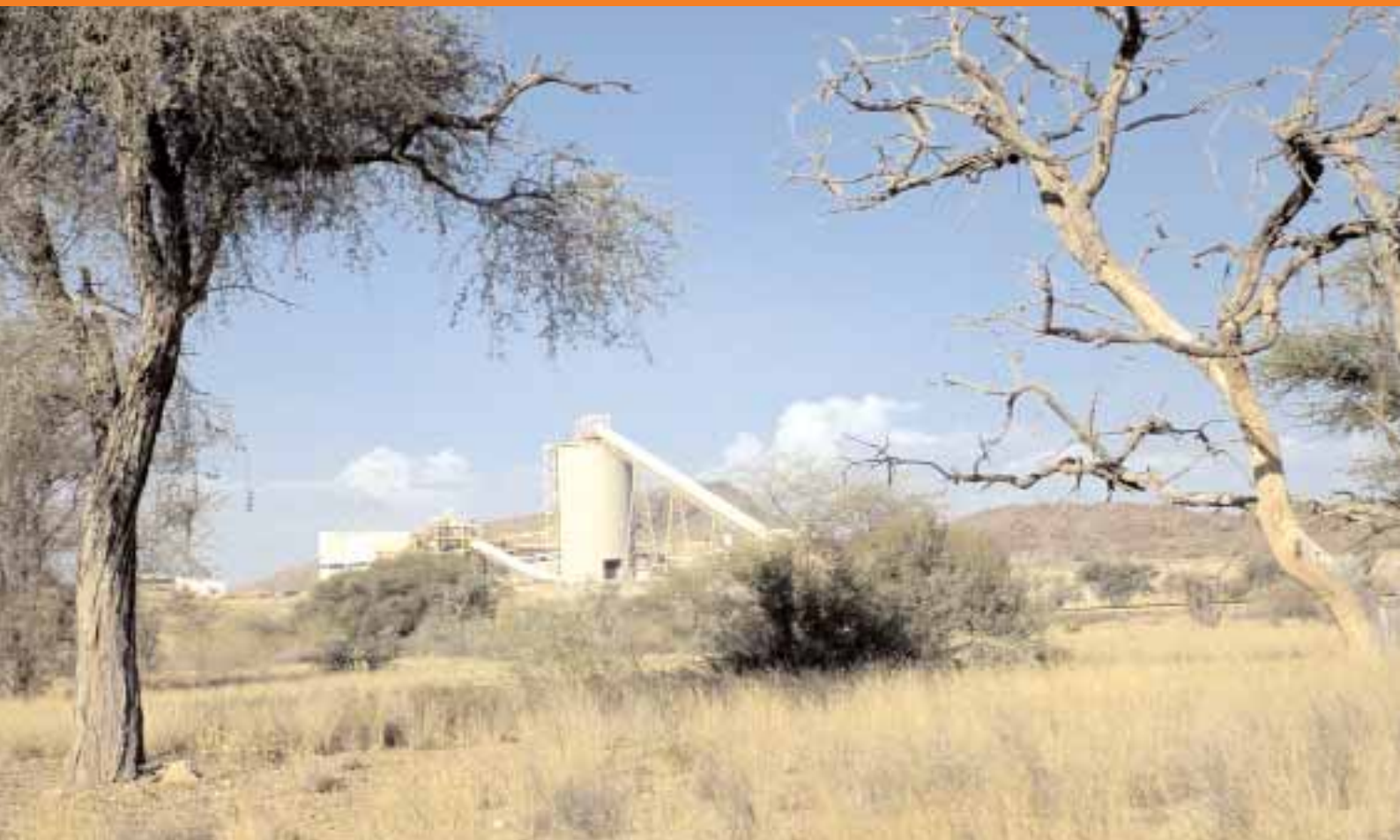
ISOS has been contracted to provide emergency services in 2007. A project to improve the mine's emergency preparedness includes the upgrading of the clinic, the establishment of a resuscitation room and the identification and design of an airstrip for emergency landings.

Regional health

HIV/AIDS is a regional health threat present in Namibia.

Although HIV/AIDS prevalence levels in Namibia are similar to those in South Africa, the prevalence level among employees at Navachab is estimated to be far lower at about 8%. However, most of the workforce is young and hence at risk of contracting HIV/AIDS. The mine clinic provides both voluntary counselling and testing (VCT) and anti-retroviral therapy (ART) as part of an integrated HIV/AIDS management campaign. In 2006, 36 employees underwent VCT and a small number of employees were on Anti Retroviral Therapy. The mine employs 13 peer educators – a ratio of one peer educator for every 24 Navachab employees.

A Wellness Committee with representatives from management, peer educators and MUN is to be established in 2007.





Human resources

One of AngloGold Ashanti's core business principles is that employees are provided with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. The company embraces cultural diversity.

AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization (ILO), ensuring the implementation of fair employment practices by prohibiting forced, compulsory or child labour. It is also committed to creating workplaces that are free of harassment and unfair discrimination.

The company seeks to understand the different cultural dynamics in host communities and adapts work practices to accommodate this where doing so is possible.

All employees are given the opportunity to participate in training that will improve their workplace competency. The company is committed to developing motivated, competent and experienced teams of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.

Remuneration systems reward individual and team effort in a meaningful way. AngloGold Ashanti works with stakeholders to ensure minimum standards for company-provided accommodation; assures access to affordable health care for employees and, where possible, for their families; and is committed to prompt and supportive action in response to any major health threats in the regions where the company operates.

Freedom of association

In line with the group's upholding of human rights conventions, freedom of association is encouraged. At Navachab a recognition agreement is in place with the MUN to which 76% of employees belong. The union bargains with the company on behalf of all employees in the A1 to C3 Paterson bands – 97% of the workforce. The most recent wage agreement, which was signed in December 2006, allows for a 7% wage increase.

In 2006 there was a two-day work stoppage following a demand that the service of two senior managers be terminated. Navachab appointed an arbitrator to investigate workers' allegations who ruled that there was no substance to these. The ruling was accepted by all parties.

Employee remuneration and benefits

While collective bargaining forms the basis of remuneration packages, incentive bonuses and individual bonuses, based on individual appraisals, are also awarded.

Some 50% of employees live in company housing with the remainder receiving a housing allowance for rented accommodation. Employees are entitled to private health care through membership of a medical scheme to which the company contributes 100%. All employees and their registered dependants are beneficiaries of this scheme. An on-mine clinic provides primary health care and occupational health services.

Employees receive financial assistance with school fees for up to three children. The company contributes to a retirement fund.

NAVACHAB – NAMIBIA

Operation Report 2006

Equal opportunities

AngloGold Ashanti is committed to providing development opportunities to all its employees and to ensuring that no grouping (including women) is discriminated against. In Namibia, equal employment is promulgated in the Employment Equity and Affirmative Action Act and the mine's recruitment policies are aligned with this legislation. At present, 10% of permanent employees are female. A three-year plan has been submitted to the Office of the Equity Commissioner, detailing plans for the advancement of women in the company.

Navachab has a policy regarding sexual harassment which was put into place five years ago.

Localisation of workforce

AngloGold Ashanti has a group policy that encourages the employment of locals and replacement of expatriate employees over time through skills transfer programmes and the career development of local citizens. In addition, Namibian legislation (Affirmative Action Act) governs the recruitment of expatriate employees and promotes the localisation of the workforce.

At Navachab plans to increase employment of local citizens and reduce the number of expatriates, particularly at management level, are under way. These include the identification and training of local citizens to replace expatriate staff once they have the requisite skills. Understudies have been identified for all positions held by non-Namibians, as is required by legislation. The understudy programme is aimed at groups rather than individuals and is separate from the succession planning programme which is aimed at individuals.

Training and development

AngloGold Ashanti's policy is to provide Adult Basic Education and Training (ABET) to ensure that all employees can become literate and numerate. Navachab has reviewed its ABET programme after it was stopped for about two years. A needs analysis was conducted and more than 50% of the workforce indicated the need for the programme to be reinstated. It is envisaged that participation will be high, mainly at levels 1 and 2.

Currently, the mine discusses career development plans with employees who fall outside the bargaining unit. From 2007, through negotiation with MUN, this will be extended to include the entire workforce.

Study assistance programmes are provided at all AngloGold Ashanti operations. Six bursaries, worth N\$265,000 (\$39,000), were awarded by Navachab in 2006. The programme, which is open to all Namibians (not necessarily employees or their dependants), offers bursaries in the fields of geology; mining engineering; metallurgical, chemical, mechanical and electrical engineering; human resources; and accounting.

Navachab also has a self-study assistance scheme and 15 employees are currently engaged in tertiary studies at different education institutions of higher learning.

The mine has embarked on a job attachment scheme which gives apprentices/trainees at recognised institutions the opportunity to gain practical experience in their field of study. Fitters and turners, boilermakers, electricians, and instrumentation and diesel mechanics are the artisans currently accommodated. In 2006, nine apprentices benefited from this programme.

A training-for-life initiative is in place to equip employees or ex-employees with skills for alternative employment opportunities or self-employment in the event of termination of employment as a result of ill health or mine closure. In terms of an agreement with MUN, employees receive assistance (87.5% of fees) for study of certain courses which may or may not be related to their job disciplines.



Environment

AngloGold Ashanti is committed to working in an environmentally responsible way, recognising that the long-term sustainability of its business is dependent upon good stewardships in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources. The company complies with all the applicable environmental laws, regulations and requirements.

Committed to establishing and maintaining management systems to identify, monitor and control the environmental aspects of its activities, AngloGold conducts audits to evaluate the effectiveness of these systems and makes sure it has the financial resources available to meet its reclamation and environmental obligations. AngloGold Ashanti works continually to improve its environmental performance and to prevent pollution from its operations.

The company ensures that its employees and contractors are aware of its environmental policy and communicates and consults with interested and affected parties on the environmental aspects of its activities, and participates in debate on environmental matters at international, national and local levels.

The group environmental policy guides the broad practices of the company while site-specific policies, which are required to be consistent with group policy, direct and regulate each operation in accordance with local conditions, requirements and regulations.

AngloGold Ashanti has formally adopted ISO14001 certification as the standard for the company's environmental management system. The International Standards Organization (ISO) is a voluntary, not-for-profit network of national standards institutes from 146 countries. ISO14001 focuses on environmental management systems. Certification is based on regular auditing by an appropriately accredited external body.



NAVACHAB – NAMIBIA

Operation Report 2006

By the end of December 2006, 19 of the 21 AngloGold Ashanti operations had achieved ISO 14001 certification. Navachab mine is expected to be certified by the end of March 2007.

AngloGold Ashanti was party to the development of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold and was one of the first signatories to the code in November 2005. Signatories to the code must have their operations audited by an independent third party to demonstrate their compliance by 2008.

The operation is currently partially compliant with the Cyanide Code; certification is expected to be achieved during the first quarter of 2008.

Laws, regulations and requirements

Environmental statutory requirements in Namibia are governed by the Namibia's Environmental Assessment Policy of 1995, the Minerals Act 33 of 1992, the Environmental Management Act of March 2004, the Pollution Control and Waste Management Act of 2004 and the Water Resources Management Act of 2004.

During 2006 Navachab recorded no significant incidences of non-compliance with Namibian legislation.

Managing environmental issues

Using AngloGold Ashanti's Environmental policy as a guideline, Navachab has drawn up its own policy which has been briefed to all employees. All employees and contractors were involved in the ISO14001 awareness programme conducted during 2006. Communication on environmental issues forms part of the mine's regular interaction with the Karibib and regional communities.

Navachab has an environmental incident reporting process in place. Incidents are assessed on the basis of their severity. Those that fall into the first two categories are reported to corporate office and are the subject of a formal investigation. Those in the third category are reported to the on-site environmental co-ordinator.

Apart from the audit mentioned above, there were two internal audits conducted during 2006: one into waste and hydrocarbon; and the other into hazardous chemicals.

Rehabilitation and closure

Currently, closure of Navachab is planned for 2020. The mine manages 6,152.6ha of which 77.9ha has been rehabilitated. Navachab has a nursery on site and indigenous plants are used for rehabilitation purposes.

An amount of N\$32 million (\$4.7 million) has been set aside to cover rehabilitation and decommissioning liabilities for the closure of Navachab.



Key indicators

Key indicators of environmental performance for AngloGold Ashanti are:

- the use and management of cyanide;
- efficient use of resources, including water and energy;
- mine closure planning and the rehabilitation of disturbed lands; and
- the prevention of pollution, through proper waste management, and hazardous waste management practices.

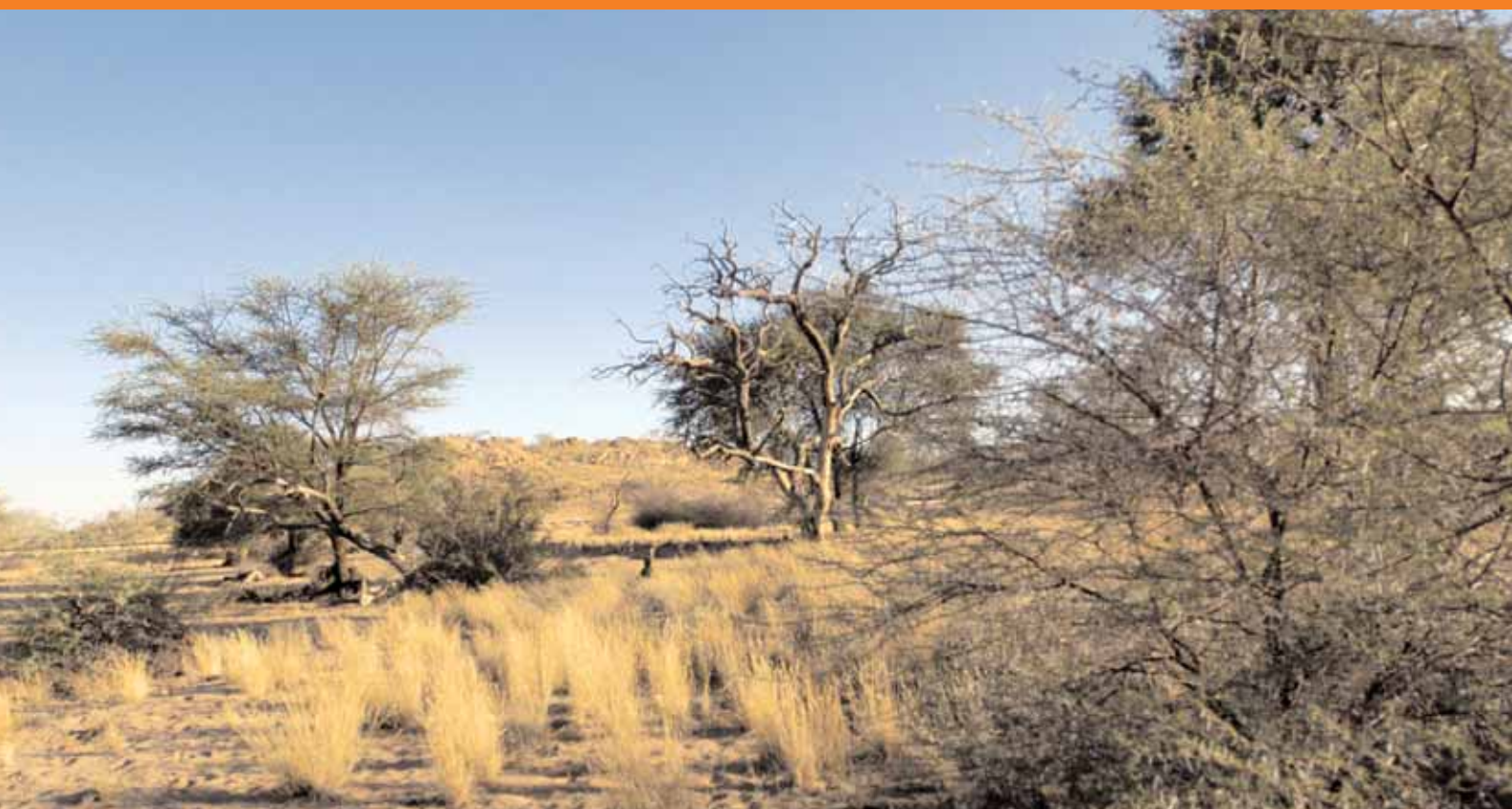
In recent years, increasing attention has also been focused on issues relating to:

- climate change and greenhouse gas emissions; and
- biodiversity.

Further information may be found on our website, including a detailed breakdown of environmental performance against the GRI 2002 indicators (www.aga-reports.com/06/GRI.pdf).

Navachab – environmental statistics

| Operation | Usage (kg) | | Efficiency usage per ounce of production (oz) | |
|-------------------------------|------------|-----------|--|-------|
| | 2006 | 2005 | 2006 | 2005 |
| Cyanide (kg) | 908,000 | 814,441 | 10.56 | 10.05 |
| Fresh water (m ³) | 938,000 | 1,031,554 | 10.91 | 12.74 |
| Energy (GJ) | 235,961 | 183,284 | 2.74 | 2.26 |



Community

One of AngloGold Ashanti's values relates to the communities in which the company does business. This states that the company strives to form partnerships with host communities, sharing their environments, traditions and values; that it wants communities to be better off for AngloGold Ashanti having been there; and that it is committed to working in an environmentally responsible way.

With respect to communities, the company subscribes to the business principles summarised below. AngloGold Ashanti:

- aims is to have a positive impact on the people, cultures and communities in which it operates. The company will be respectful of local and indigenous people, their values, traditions, culture and the environment;
- strives to ensure that surrounding communities are informed timeously of, and where possible are involved in, developments that affect them, throughout the life cycle of the company's operations;

AngloGold Ashanti's Policy on Human Rights

AngloGold Ashanti is committed to upholding human rights at our operations and to promoting human rights in the communities and countries where we do business in line with the company's business values and business principles, which state that the company supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the ILO and the principles and values referred to in the UN Global Compact.

In 2006, AngloGold Ashanti developed a draft Policy on Human Rights which, following internal consultation, was put to a number of interested external parties. Once we have received and considered their comments, the policy will be formally reviewed by AngloGold Ashanti's Executive Committee and Board of Directors and it is anticipated that it will be adopted and implemented during 2007.

The policy builds on the commitments made in the values and business principles and is in line with the company's commitment to adhere to the Voluntary Principles on Security and Human Rights of which it has applied to become a signatory.

The Voluntary Principles (<http://www.voluntaryprinciples.org/>) were developed out of a multi-stakeholder process involving governments, extractive companies and NGOs in late 2000 as a means of helping companies in the extractive sector to improve performance in relation to security-risk assessment and the control of security operatives, and to improve relations with communities over security issues. Accordingly, they focus on three main areas: risk assessment, interactions between companies and public security, and interactions between companies and private security. The secretariat to the Voluntary Principles is provided jointly by the International Business Leaders Forum (IBLF) in London (<http://www.iblf.org/>) and Business for Social Responsibility (BSR) in San Francisco (<http://www.bsr.org/>).

In addition, work is being done to develop group-wide security and human rights training to be rolled out across the company and we will continue this during 2007.



- undertakes social investment initiatives in the areas of need where the company can make a practical and meaningful contribution, in particular to those areas of education and health care relevant to AngloGold Ashanti's business activities, and those most likely to be sustainable after operations have closed;
- encourages its employees to make themselves available for participatory and leadership roles in the community;
- seeks to acquire and use land in a way that promotes the broadest possible consensus among interested people. Where involuntary resettlement is unavoidable, the company will abide by appropriate guidelines for resettlement, where they exist, and will work with the local communities to develop workable plans for any resettlement; and
- strives to contribute to the sustainable economic development of host communities through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.

AngloGold Ashanti is committed to engaging with non-governmental organisations (NGOs) and other stakeholders on issues of mutual concern.

The company has developed a Human Rights policy which it has asked several external agencies to comment on prior to approval by the Executive Committee. It is expected that this policy will be implemented in a phased approach by the end of 2007.

Community involvement in Namibia

Apart from employees and their families, Navachab's key stakeholders are the business community and the local municipality and in 2006 two consultative meetings were held with these groups. The mine holds an annual meeting with interested and affected parties to keep the surrounding community informed about the operation and its life cycle. This event, which includes a mine tour and presentations, provides an opportunity for discussions on such topics as the impact of mining on the environment, sustainable development and mine closure. Navachab is represented on the town council as well as on a number of local committees.

Navachab's corporate social investment expenditure in 2006 was N\$5.3 million (\$787,000), a 67% increase on the N\$3 million (\$470,000) spent in 2005. Major elements of expenditure were: education, health care, the environment, community development, arts and culture and heritage activities. The Karibib Private School continued to be a major beneficiary, receiving N\$1.8 million in subsidies during the year. It has maintained its position as one of the top schools in the country.

The most significant development in 2006 was the decision to establish a community trust foundation. A consulting firm has been appointed and N\$600,000 (\$88,626) has been set aside in the mine's 2007 budget for this process.

Programmes are in place to support local industries and more than 70% of Navachab's goods and services are procured within the country.

Contact details

Ivon Patelius

Tel: +264 64 552 001

Fax: +264 64 550 231

E-mail: ipatelius@navachab.com.na

General e-mail enquiries:

investors@anglogoldashanti.com

Website:

www.anglogoldashanti.com

Feedback

We welcome your feedback on our Report to Society 2006 and this country report. A feedback form may be found on our website at www.aga-reports.com