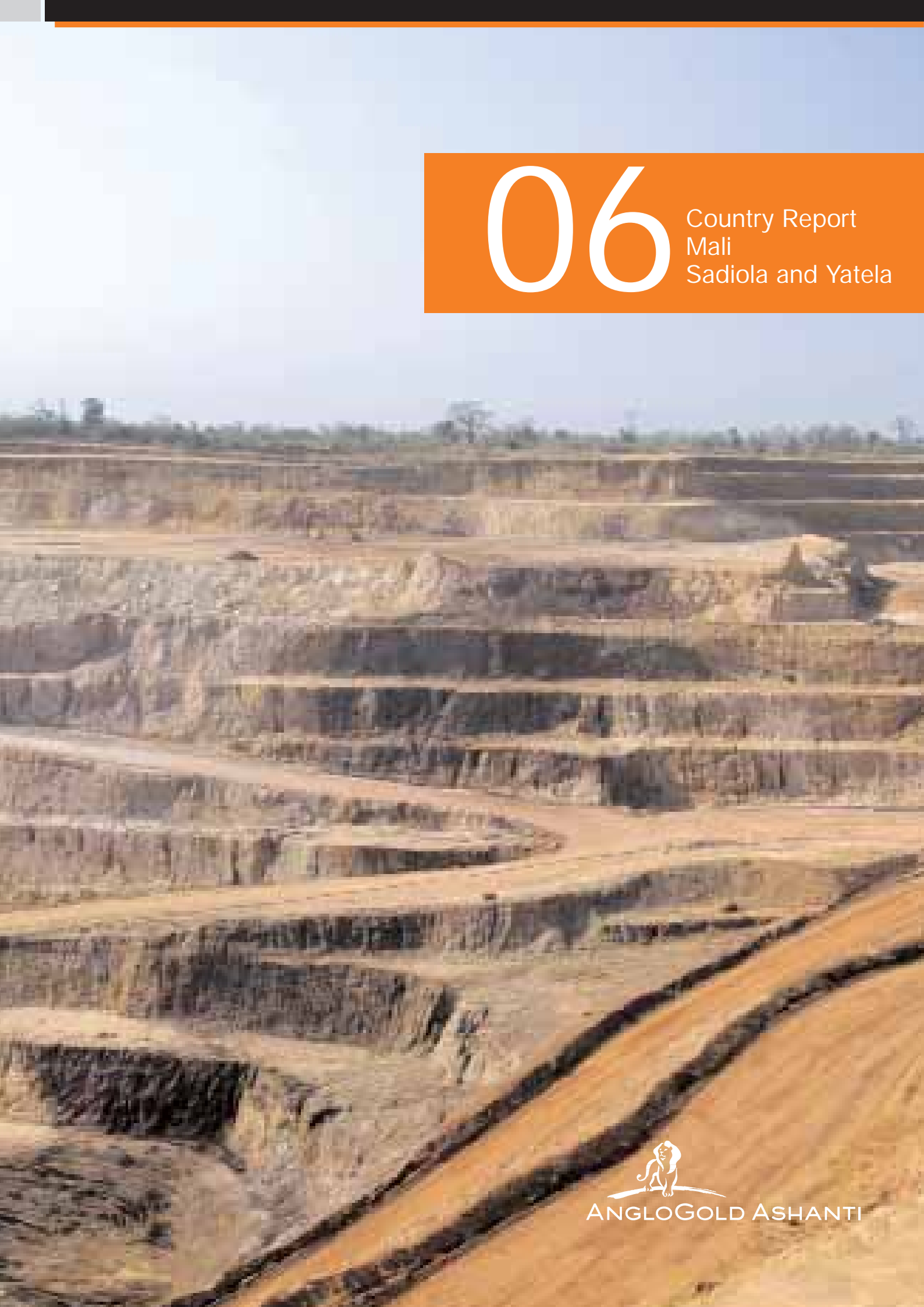


06

Country Report
Mali
Sadiola and Yatela





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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

AngloGold Ashanti has interests in three mines in Mali: Sadiola (38%), Yatela (40%) and Morila (40%). In 2006 the Malian operations produced 537,000oz of attributable gold at an average total cash cost of \$258/oz.

This report focuses on the Sadiola and Yatela mines which are both held by AngloGold Ashanti in successful partnership with the government of Mali and Canadian listed company IAMGOLD. In the case of Sadiola, the International Finance Corporation (IFC) is also a partner with a stake of 6%. Sadiola has produced about 4Moz of gold since its establishment in 1996.

Yatela was established shortly after Sadiola at a capital cost of US\$73 million. First gold was poured in 2001. Situated some 25km north of Sadiola, Yatela benefits from synergies and economies of scale through the utilisation of some of Sadiola's infrastructure.

Message from Richard Cox

The Annual Stakeholder Workshop in 2006 provided Sadiola and Yatela with a public forum where, once again, we could share information and demonstrate our commitment to producing safe, profitable gold in a socially and environmentally responsible manner. And indeed there was good news to relate during the three-day event: Yatela would not be closing in 2007 because reserves had been found to extend the life of mine by three years; and Sadiola explained the potential for the Deep Sulphide Pre-feasibility Study to extend the life of mine plan from 2014 to 2024.

Community engagement

The diverse stakeholders heard feedback from Sadiola/Yatela's independently managed Integrated Development Action Plan (IDAP) Committee on a wide spectrum of initiatives and challenges. The audience has high standards regarding sustainability and demands that these be observed. The training and capacity-building of individuals and groups in the community underpins the IDAP efforts: in 2006, 220 people acquired literacy and numeracy skills; governance training was extended at the committee level; and several associations were established to focus on the marketing and administration of agricultural produce. The reputation of the IDAP is growing beyond the borders of the Sadiola/Yatela Commune and was praised at ministerial level as a case study for community development.

Agricultural activities were further encouraged through the introduction of modern equipment and implements: one village now has a tractor with ancillary equipment for its own needs, and generates income by assisting other villages with agricultural tasks. In an effort to improve the yield from stock farming, a partnership has been formed with the Institute of Rural Economics in Kayes to introduce new livestock bloodlines to two villages in the commune.

Stakeholders saw a second micro-lending facility in operation. The micro-finance fund is managed by community members and facilitated by a non-governmental organisation (NGO) based in Kayes. It is mainly agricultural entrepreneurs who have taken advantage of the fund and 145 projects have been supported. A recent documentary and published NGO reports have highlighted community fears that our mining activity has and is having a negative impact on community health. Specific mention is made of the higher incidence of miscarriages, and the deterioration in water quality since the start of mining at Sadiola and Yatela.

In response to this, Sadiola and Yatela are funding research by the Malian National Institute for Public Health Research in collaboration with the Malian National Laboratory of Health and the Department of Epidemiology of Parasitic Infections of the Faculty of

Medicine to investigate and establish whether the community concerns are valid. The research has been planned in two phases – the first, a qualitative study, has been completed. The results of Phase 1 have suggested that further investigation is warranted. An outcome of Phase 1 was the recording of the population demographics to be researched in Phase 2 – the quantitative study. Phase 2 has two parts: an analysis of water quality and an epidemiological study comprising a medical study and clinical and biomedical analyses. The outcome of the Phase 2 research is planned for the fourth quarter of 2007, in time for the annual Stakeholder Workshop.

Environmental certification

In November 2006 Sadiola successfully concluded the stringent environmental ISO14001 accreditation audit and expects certification to be awarded in the first quarter of 2007. Yatela will go through this process in 2007.

Safety

Safety is a priority at Sadiola and Yatela. Both sites have shown year-on-year improvements in safety statistics. Sadiola improved its Lost Time Injury Frequency Rate (LTIFR) from 1.30 to 1.02 while Yatela's LTIFR went from 1.25 to 0.43. Regrettably, Yatela suffered a fatal incident in December 2006 when Hamidou Sissoko died in a machinery-related accident. Hamidou is survived by his wife and two children. Yatela has implemented a plan to ensure their well-being.

Malaria

The Sadiola/Yatela malaria programme is showing encouraging results. Combined with awareness interventions, the twice-yearly spray programme has contributed to the decrease in the Malaria-LTIFR with Sadiola/Yatela's year-on-year rate dropping from 177.5 to 66.4. An analysis conducted by a renowned malaria consultant confirmed our strategy; recommendations for improvement will be implemented as part of the 2007 programme.

Contribution to Mali

Since inception, Sadiola and Yatela have contributed \$690 million and \$249 million to the economy respectively through the payment of taxes and duties; engaging in business with local suppliers; the payment of salaries and dividends; investment in infrastructure and social development. Sadiola and Yatela look forward to 2007 as an opportunity to make further advances in the safe and profitable production of gold in our community.



Richard Cox

General Manager: Sadiola and Yatela

20 March 2007

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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.

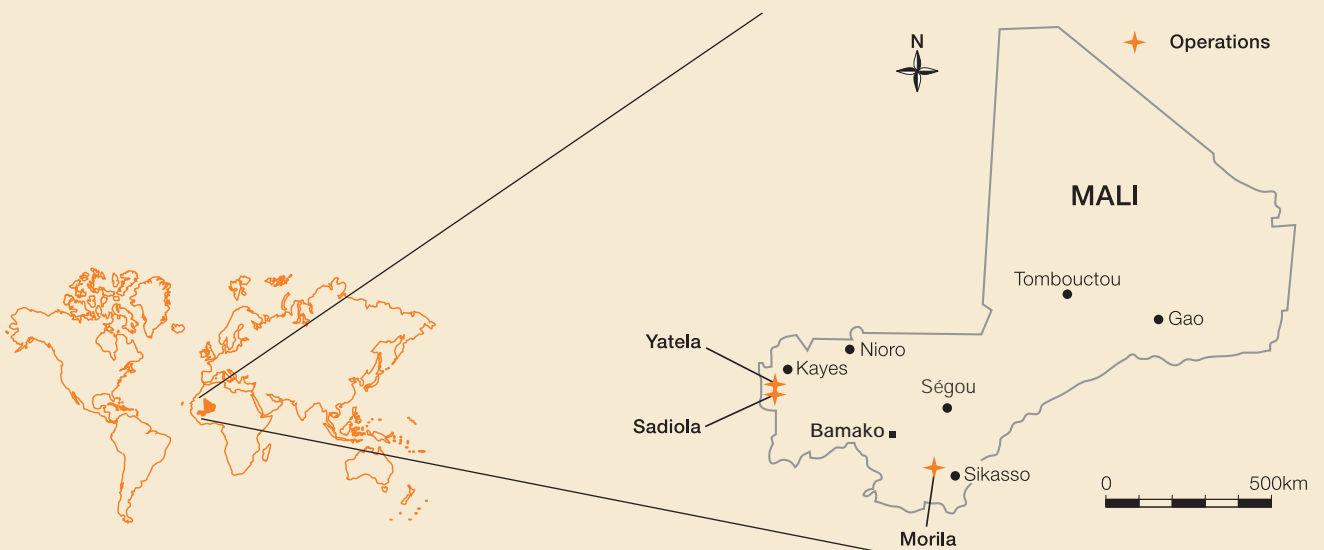
AngloGold Ashanti produced 5.6Moz of gold in 2006, of which 2.6Moz (46%) came from deep level hard-rock operations in South Africa and the balance of 3Moz (54%) from the shallower and surface operations around the world. Greenfields exploration is under way in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Alaska, Russia, China, the Philippines and Laos. The group employed 61,453 people around the world.

AngloGold Ashanti has three operating mines in Mali – Morila, Sadiola and Yatela. The latter two are managed as a single entity. In 2006, the Malian operations produced 1,369,000oz of gold, 537,000oz of which were attributable to AngloGold Ashanti.

Also in 2006, the Mali operations employed a total of 3,747 people (1,292 employees and 2,455 contractors), 2,172 of whom were employed at the Sadiola and Yatela operations.

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.

Our 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.

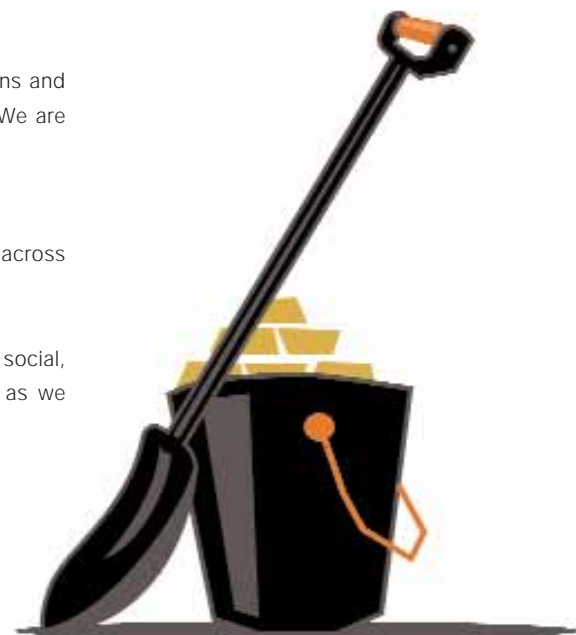
We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally responsible way.

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





SADIOLA Background

Ownership: AngloGold Ashanti owns 38% of Sadiola in partnership with the IAMGOLD (38%), the government of Mali (18%) and the International Finance Corporation (6%).

Location: Sadiola is situated in the north-west of the country, 77km to the south of the regional capital of Kayes.

Geology: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the Kenieba Window. The specific rocks that host the mineralisation are marbles and greywackes which have been intensely weathered to a maximum depth of 200m. A series of north-south trending faults occurs which feeds the Sadiola mineralisation. As a result of an east-west regional compression event, deformation occurs along a north-south striking marble-greywacke contact, increasing the porosity of this zone. North-east striking structures, which intersect the north-south contact, have introduced mineralisation, mainly with the marble where the porosity was greatest.

The Sadiola Hill deposit generally consists of two zones: an upper oxidised cap and an underlying sulphide zone. From 1996 until 2002, shallow, saprolite oxide ore was the primary ore source. Since 2002, the deeper saprolitic sulphide ore has been mined and will progressively replace the depleting oxide reserves.

Mining and processing: Mining takes place in an open pit at Sadiola. Ore is treated in a 435,000Mtpm gold plant.

Economic and financial performance

Operating performance: Attributable gold production increased by 13% year-on-year to 190,000oz in spite of a tailings pipeline replacement that negatively affected tonnage throughput in the first quarter. Most of the production improvement was related to steady treatment plant operations and the higher yields achieved as a result of improved metallurgical recovery on oxide ore and the increased treatment of higher grade sulphide ore.

Total cash costs rose by 2% to \$270/oz, mainly owing to increased royalty payments arising from the higher gold price.

Gross profit adjusted for the effect of unrealised non-hedge derivatives and other commodity contracts more than doubled to \$49 million. The higher costs were offset by increases both in production and, more significantly, in the price received.

Capital expenditure decreased by 43% to \$4 million. The main areas of expenditure were additional fleet mobilisation charges, brownfields exploration and mining contract renewal costs.

Growth prospects: A recently completed pre-feasibility study showed that the hard sulphide ore below the current mining horizon can be mined economically at proven metallurgical recoveries. Additional test work is being conducted to enhance recoveries and a feasibility study is planned to begin early in 2007.

Outlook: In 2007, attributable production is expected to decline to around 170,000oz. Total cash costs are forecast to increase to about \$364/oz as a result of the higher cost of treating the harder sulphide ore, which will make up a greater proportion of the total ore treated in 2007. Attributable capital expenditure will increase to \$7 million and will be primarily spent on brownfields exploration to convert deep sulphides from inferred status to indicated status, and on the exploration of satellite pits. The remaining capital expenditure will be allotted to the deep sulphides feasibility study, the installation of a gravity circuit and camp relocation costs.

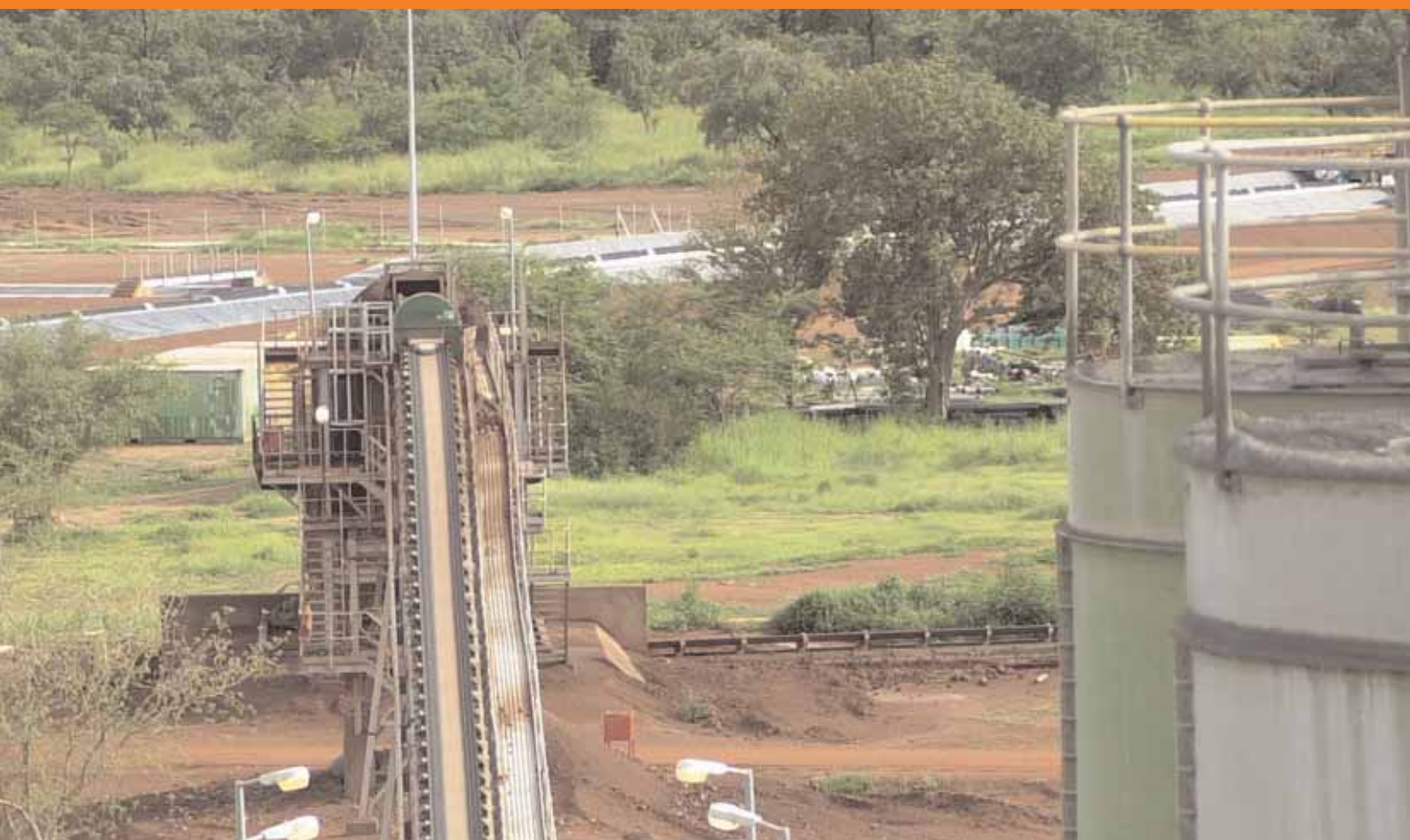
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Sadiola		2006	2005	2004
Pay limit †	(oz/t)	0.06	0.05	0.06
	(g/t)	1.98	1.80	1.76
Recovered grade ††	(oz/t)	0.094	0.080	0.081
	(g/t)	3.22	2.73	2.77
Gold production	(000oz) – 100%	500	442	459
	(000oz) – 38%	190	168	174
Total cash costs	(\$/oz)	270	265	242
Total production costs	(\$/oz)	335	336	301
Capital expenditure	(\$ million) – 100%	11	18	16
	(\$ million) – 38%	4	7	6
Total number of employees		1,294	1,245	1,575
Employees		589	584	550
Contractors		705	661	609

† 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.





YATELA Background

Ownership: The Yatela mine is a joint venture owned by Société d'Exploration des Mines d'Or de Yatela SA, in which AngloGold Ashanti and IAMGOLD each hold an effective 40% interest, and the government of Mali 20%.

Location: Yatela is situated some 25km north of Sadiola and approximately 50km south-south-west of Kayes.

Geology: Yatela mineralisation occurs as a keel-shaped body in Birimian metacarbonates. The 'keel' is centred on a fault which was the feeder for the original mesothermal mineralisation, with an associated weakly mineralised diorite intrusion. Mineralisation occurs as a layer along the sides and in the bottom of the 'keel'. The ore dips almost vertically on the west limb and more gently towards the west on the east limb, with tight closure to the south.

Economic and financial performance

Operating performance: Attributable production rose significantly to 141,000oz owing to a 38% increase in grade, from 2.99g/t in 2005 to 4.12g/t in 2006.

Total cash costs consequently declined by 13% to \$228/oz, partly as a result of a change at the beginning of the year from top-lift stacking of the heap-leach pad to bottom-lift stacking, which necessitated increased cement consumption and which, in turn, led to a rise in operating costs.

Gross profit, adjusted for the effect of unrealised non-hedge derivatives and other commodity contracts, at \$44 million was 300% higher than in 2005 due to the 35% improvement in the price received and the increase in production.

Capital expenditure of \$1 million was 50% lower than that of the previous year and was incurred mainly on the construction of an additional heap leach.

Growth prospects: Mining of heap-leachable ore will cease in mid-2010 after which leaching and rinsing of the heaps will continue for some months. The potential for a small amount of sulphide ore below the existing Alamoutala deposit to be treated at Sadiola is being investigated.

Outlook

Attributable production at Yatela is expected to decline in 2007 to around 110,000oz ounces, as the seventh push-back of the pit to access the next level of higher-grade ore gets under way. Total cash costs are forecast to increase to approximately \$326/oz.

Attributable capital expenditure is also expected to rise to approximately \$2 million. This will be primarily spent on additional leach pads to accommodate production from the push-back 7 project.

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Yatela		2006	2005	2004
Pay limit †	(oz/t)	0.06	0.05	0.06
	(g/t)	1.79	1.66	1.96
Recovered grade ††	(oz/t)	0.120	0.087	0.099
	(g/t)	4.12	2.99	3.41
Gold production	(000oz) 100%	352	246	242
	(000oz) 40%	141	98	97
Total cash costs	(\$/oz)	228	263	255
Total production costs	(\$/oz)	299	340	323
Capital expenditure	(\$ million) 100%	3	5	7
	(\$ million) 40%	1	2	3
Total number of employees		878	910	1,033
Employees		203	210	208
Contractors		675	700	825

† 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.

Government remittances

Attributable contributions from Sadiola and Yatela to government revenue for 2006 comprised royalties of \$11.8 million, corporate tax of \$22.1 million, property tax of \$0.96 million, dividends of \$10.0 million, import duties of \$6.6 million and non-recoverable VAT and other indirect taxes of \$11.1 million.



Mineral resources and ore reserves

Mineral Resources and Ore Reserves 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, the three mines in Mali (Sadiola, Yatela and Morila) accounted for attributable Mineral Resources of 4.6Moz and Ore Reserves of 2.8Moz.

Mine	Resource category	Tonnes (000s)	Metric Grade (g/t)	Grams (000s)	Tons (000s)	Imperial Grade (oz/t)	Ounces (000s)
Ore reserves (as at 31 December 2006)							
Sadiola (38%)	Proved	7,451	1.45	10,768	8,214	0.04	346
	Probable	14,795	2.79	41,274	16,310	0.08	1,327
	Total	22,247	2.34	52,041	24,525	0.07	1,673
Yatela (40%)	Proved	2,066	0.94	1,940	2,278	0.03	62
	Probable	1,432	4.63	6,628	1,578	0.13	213
	Total	3,498	2.45	8,568	3,856	0.07	275
Mineral resources (as at 31 December 2006)							
			Metric			Imperial	
Sadiola (38%)	Measured	7,607	1.45	11,065	8,385	0.04	356
	Indicated	7,497	2.66	46,510	19,288	0.08	1,495
	Inferred	14,489	2.37	34,406	15,972	0.07	1,106
	Total	39,596	2.32	91,979	43,644	0.07	2,957
Yatela (40%)	Measured	3,009	2.01	6,043	3,317	0.06	194
	Indicated	2,144	2.99	6,414	2,362	0.09	206
	Inferred	1,006	2.99	3,010	1,109	0.09	97
	Total	6,158	2.51	15,467	6,788	0.07	497



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 African-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.

Safety overview

Regrettably, there was one incident at Yatela in 2006 when an employee, Hamidou Sissoko, a conveyor belt assistant, lost his life in a machinery-related accident on 26 December 2006. The board and management of AngloGold Ashanti extend their deepest sympathy to his family and colleagues. No fatalities were recorded at Sadiola during the year.

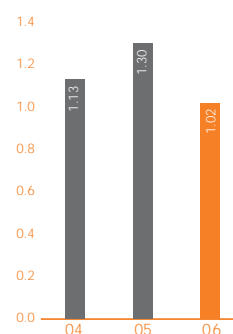
In the case of both operations there was an improvement in the Lost Time Injury Frequency Rate (LTIFR) with Sadiola achieving 1.02 per million man-hours (2005: 1.30) and Yatela 0.43 per million man-hours (2005: 1.25).

Laws, regulations and standards

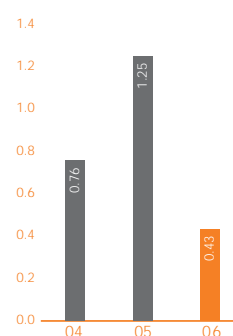
The primary laws governing safety and health in Mali are the Mining Code and Code de la Sécurité Sociale du Mali (Social Security Code), Convention Collective (Collective Agreement) and Code du Travail du Mali (Mali Labour Code). A partner of AngloGold Ashanti in Sadiola, the IFC requires adherence to IFC and World Bank guidelines on health and safety. These include Environmental Guidelines for Health Care Facilities, May 2003; IFC Environmental Guidelines for Occupational Health and Safety, 24 June 2003; World Bank Environment, Health and Safety Guidelines, Mining and Milling – Open Pit, August 1995; and Environmental, Health and Safety Guidelines for Precious Metal Mining, Draft July 2004.

Neither AngloGold Ashanti operation was in breach of any of the laws, regulations and standards in 2006.

LTIFR – Sadiola
(per million man-hours worked)



LTIFR – Yatela
(per million man-hours worked)





Managing safety and health

There is a Safety and Health policy for Sadiola and Yatela which complies with AngloGold Ashanti's policy. There are four key safety principles:

- every unsafe condition and unsafe act is preventable;
- no task is so important that it cannot be performed safely;
- zero tolerance (for any unsafe practices); and
- safety must be behaviour-based.

With respect to safety and health all employees have five duties: to work safely, to help others to work safely; to listen when others help them to work safely; to follow established procedures; and to report all hazards, incidents and accidents immediately.

All employees and contractors are held accountable for health and safety in their areas of responsibility and performance appraisals are held regularly.

Agreements are in place between management and unions in respect of safety and health at Sadiola and Yatela with 15 union representatives employed in the different departments. Representatives of unionised and non-unionised employees sit on the joint health and safety committees which help to monitor and make recommendations on occupational health and safety issues. Together with the heads of departments, they hold monthly meetings with the Safety and Health Department. Safety representatives are actively involved in audits, inspections and incident investigations.

Both Sadiola and Yatela have on-mine medical facilities which are considered by the company to be among the best in the region. All new employees undergo an initial medical examination and all employees undergo annual and periodic examinations which check for signs of such occupational health problems as exposure to dust and hearing difficulties. In 2006, 2,162 employees underwent medical surveillance examinations at Sadiola and 748 at Yatela. Sadiola has a well-equipped hospital on site.

Communication and training

Communication regarding safety and health takes place during the toolbox talks held before the start of shifts, at the weekly communication meetings and at ad hoc awareness sessions. Use is made of noticeboards, posters and local radio broadcasts, while the setting of safety targets serves as an important way of focusing employees' attention on safety and health. A monthly SafeGold report is published.

While employees are given informal, on-the-job training to help them identify hazards and to assess basic risks, the Training Department holds formal first-aid training, cyanide first-aid training and defensive training sessions. Employees spend an average of 56 hours a year on training.

Risk assessments

An internal baseline risk assessment was undertaken during 2006 because a new contractor, Boart Longyear, moved on site. The improvement in the mines' LTIFR indicates that the

MALI – SADIOLA AND YATELA

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continuous risk assessment carried out at the operations is proving to be successful. An issue-based risk assessment into rock engineering was also conducted in order to understand the risks better and to identify the controls required to bring those risks down to acceptable levels.

An external party, IMIU, conducted a risk audit for financial loss. Sadiola received an 80% rating as a world-class operation in the IMIU's global industry ranking audit.

Emergency preparedness

There is an emergency preparedness plan in place at Sadiola and Yatela to deal with on-site and off-site emergencies. Employees are being trained in using specialised equipment in order to improve the skills base to address all possible emergency situations, and regular emergency drills are held.

A quarterly session is held to train community representatives regarding the measures that are taken during the transport and treatment of cyanide. They learn to identify the cyanide convoy and are trained to keep people away from danger in the event of an accident.





Regional health

Inherent in AngloGold Ashanti's core values and business is a commitment on the part of the company as an employer to ease the burden for employees in the face of debilitating regional health threats. Furthermore, AngloGold Ashanti is committed to prompt and supportive action in response to any major health threats in the regions in which it operates.

The major public health threats facing the company's operations in Africa are malaria and HIV/AIDS.

Malaria

Malaria remains a significant risk for the company operations in Mali as it is for the operations in Ghana, Guinea and Tanzania. Despite the active intervention of international non-governmental organisations (NGOs), the disease has assumed epidemic proportions in these countries, largely as a result of ineffective national control measures. The disease is a major cause of death in young children and pregnant women, and also gives rise to morbidity and absenteeism in adult men.

These circumstances notwithstanding, AngloGold Ashanti is pleased to report a significant improvement in 2006 in the control of the disease at Sadiola and Yatela.

During 2006, 70 cases of malaria (2005: 314 cases) were reported and the Malaria Lost Time Injury Frequency Rate* (MLTIFR) was 45.96 (2005: 51.4) which compares favourably with other AngloGold Ashanti operations in West Africa

The reduction in cases can be attributed to the integrated malaria control programme that has been in place at Sadiola and Yatela since 2003. This includes the twice-yearly spraying of houses of all employees and residents in the villages housing employees and the re-impregnation of mosquito nets of all employees, dependants and residents. The mines spent \$90,365 on vector control during 2006.

Education plays an important part in the effort to prevent the spread of the disease. To this end information leaflets are distributed to employees twice a year and patients are taught about malaria and its prevention by health care professionals when they visit the medical centres. In addition, the two teams involved in spraying houses provide information to village residents on an informal basis.

**MLTIFR, expressed as the number of cases (incidents) due to malaria for every million man-hours worked, allows the rate to be compared with the conventional LTIFR and clearly demonstrates the negative impact malaria has on productivity and health in the workforce. Malaria incidence rates are expressed as a percentage of employees affected by malaria in a given period. Because of seasonal changes in malaria incidence, this is usually reported as a quarterly rate.*

HIV/AIDS management

The national incidence of HIV/AIDS in Mali is relatively low at 3.5%. Known cases of HIV/AIDS at Sadiola and Yatela make up 1.2% of employees. Voluntary counselling and testing (VCT) is available to employees at the medical centres which also distribute condoms to employees and members of the community. All ailments relating to immuno-compromised patients are managed by the medical centres. Anti-retroviral (ART) treatment is provided at state hospitals.

A local NGO has provided four peer educators who play an important part in raising awareness of the disease among the workforce .

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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.

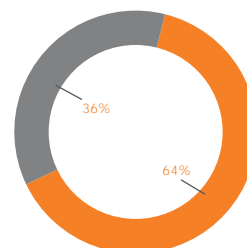
Remuneration systems reward individual and team effort in a meaningful way. AngloGold Ashanti works with stakeholders to ensure minimum standards for company-provided accommodation; assures access to affordable health care for employees and, where possible, for their families; and is committed to prompt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

Employment overview

In 2006 AngloGold Ashanti employed 792 employees and 1,380 contractors at Sadiola and Yatela. In line with the company's upholding of human rights conventions, freedom of association is encouraged and collective bargaining structures are recognised in the regions where these structures commonly exist as they do in Mali. At Sadiola and Yatela all employees are represented by the mining industry union, SECNAMI and guided by the National Collective Convention. No industrial action took place during 2006.

	Employee numbers in Mali (total)		
	Sadiola	Yatela	Total
Total	1,294	878	2,172
Employees	589	203	792
Contractors	705	675	1,380

Contractors vs employees at Sadiola and Yatela



Contractors
Employees



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Expatriate and local employees attend cultural diversity courses, run by a local service provider.

Legislation in many African countries, including Mali, governs the recruitment of expatriate employees and promotes the localisation of the workforce. AngloGold Ashanti has a group policy in place that encourages the employment of local employees and replacement of expatriate employees over time, through skills transfer programmes and career development of local people. At Sadiola and Yatela the training of a local successor is stipulated in the contract of any expatriate. The percentage of people indigenous to Mali employed at these mines was 95% during the year.

In 2006 progress was made in engaging with academic institutions in Mali for the development of middle management.

Localisation plans at all the company's operations are scheduled to be reviewed during the course of 2007 with the emphasis being placed on the following: identification of potential, talent management, succession plans, and training and development plans. Reviews of progress will take place every quarter during visits to the mines by the regional executive teams.

Training and development

AngloGold Ashanti places great emphasis on the training and development of its workforce. It is committed to providing all employees with the opportunity to participate in training that will improve their workplace competency and to ensuring that every employee has the opportunity to become numerate and functionally literate in the language of that person's workplace. During 2006 AngloGold Ashanti spent \$956,725 on training at Sadiola and Yatela.

AngloGold Ashanti's Talent Management Programme identifies and develops the group's management for the future. The programme has three areas of intervention: development, retention and the monitoring of talent which includes an annual talent review at executive level to look at succession plans for talented employees.

The group runs an Executive Development Programme (EDP), a Management Development Programme (MDP) and an Intermediate Management Development Programme (IMDP), where younger employees with management potential are identified and given an opportunity to develop their careers.

Study assistance programmes for employees and non-employees are provided across the group to increase the skills pool available to AngloGold Ashanti. As part of this, a bursary scheme was implemented in Mali in 2004. Ten top school leavers started their studies at the University of Pretoria in South Africa in the disciplines of mining, engineering, metallurgy, environment and geology.

Remuneration and benefits

At Sadiola and Yatela there is an incentive scheme in place to reward local employees on a monthly basis for achieving and exceeding approved targets regarding operating efficiencies and bottom-line profits. It is understood that all employees participating in the scheme comply with the requirements of safe working practices and adhere to the company's business principles and values.

Some 90% of employees at both operations are housed in company accommodation. The remaining 10% receive a housing allowance in accordance with local labour agreements. The Malian government facilitates loans for the purchase of land and housing in and around the capital city of Bamako.

The mines' on-site clinics are registered with the national health authorities and provide health care to all employees and dependants.

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 Ashanti 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.

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.

Laws, regulations and requirements

Legislation and regulations in Mali require mining companies to:

- apply for an environmental permit before starting an operation through the submission of an Environmental and Social Impact Assessment Report;
- apply for authorisation to carry out expansion on already permitted operations;
- apply for permits for waste disposal facilities;
- report all environmental incidents; and
- submit annual environmental performance reports.



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According to a decree that came into effect in June 2006, the minister of the environment in Mali can initiate an environmental conformity verification or audit of an organisation based on technical information regarding its performance. Professional or technical experts would be commissioned to carry out such an audit.

No significant areas of non-compliance in terms of Malian legislation were recorded by Sadiola or Yatela during 2006.

Managing environmental issues

The environmental management systems at both mines are based on the standards set by ISO14001. Following an audit by DLIQ Certification Services, Sadiola was recommended for certification in November 2006 and Yatela will seek certification by the end of 2007.

The mines are partially compliant with the International Cyanide Management Code, and an external audit is planned for the third quarter of 2007.

Environmental incident reporting

AngloGold Ashanti's reporting protocol enables the company to identify and to manage the risks and impacts of environmental incidents, as well as their associated costs. Operations provide the appropriate level of information necessary to advise management and the board of the nature and occurrence of important incidents and developments. In line with this protocol, a major environmental incident report must be made within 24 hours to the corporate office.

During 2006, one incident occurred at Sadiola where a slurry pipeline leak resulted in an area of approximately 20m² being covered with tailings outside the fence surrounding the tailings. The plant stopped operating immediately and the spill was cleaned up and deposited on the tailings storage facility (TSF). No incidents took place at Yatela.

(See case study on page 21: Improvements in environmental incident reporting in Mali)

Employee involvement

All new employees and contractors undergo an induction into the operations' environmental policies and practices before they start work. At the start of the implementation of the ISO14001 management system, selected staff from all departments and the main mining contractors had three days of training followed by weekly awareness sessions. The members of the group have the responsibility of raising awareness among the other employees in their department.

Engaging with stakeholders and the community

The mines interact with the Regional Hydraulic Department, the Regional Department of Mines and Geology, the préfet of Kayes, the sous-préfet and mayor of the town of Sadiola, local communities' representatives and the National Health Department.

Environmental issues are discussed with the surrounding communities at a formal annual meeting. The mines have an open-door policy and interested and affected parties can approach the Environment and Social Development departments directly with any complaints. These are then investigated and the necessary corrective action taken.

Rehabilitation and closure

Sadiola's current life of mine is to 2013 but this could be extended to 2023-24; at Yatela, the mining of heap-leachable ore will stop in mid-2010. Sadiola manages 18,700ha and Yatela

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1,400ha of land of which, to date, 160ha have been rehabilitated at Sadiola and 30.5ha at Yatela. The amounts set aside for the rehabilitation and closure of these mines is given in the table overleaf.

Rehabilitation and decommissioning liabilities at Sadiola and Yatela in 2006 (\$ million)

	2006		
	Rehabilitation	Decommissioning	Total
Sadiola	2.9	3.0	5.9
Yatela	1.2	4.9	6.1
Total	4.1	7.9	12

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).

Resource usage

The water usage policy at these operations is based on three objectives:

- to minimise the use of fresh water in mining processes;
- to maximise the recycling of water; and
- to minimise the discharge of contaminated water into the environment.

These objectives have been largely achieved through the use of water from pit de-watering, decant from the TSF and the pollution control dam. Fresh water is only used when water from these sources is not sufficient for the mines' needs and, of course, for drinking purposes. The recycling of process water has minimised discharges into the environment.

Fresh water is taken from the Senegal River which is about 55km from Sadiola: 85% of the fresh water or 40% of all the water used at the operation comes from this source.

There is no ecosystem or habitat significantly affected by discharges or run-offs from the mines. There are small streams in the areas that may flow during the four rainy months but are dry for the rest of the year.

The Engineering Department has set a target of at least a 5% reduction in the use of diesel fuel during 2007 and the metallurgical plant is setting targets for reductions in the use of reagents and cyanide.



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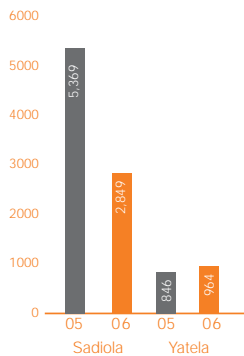
Sadiola and Yatela – environmental statistics

	Usage		Efficiency (Usage/oz)	
	2006	2005	2006	2005
Cyanide (kg)				
Sadiola	*2,848,800	5,369,000	5.70	12.15
Yatela	964,000	846,000	2.73	3.45
Fresh water (m³)				
Sadiola	8,508,907	6,543,000	17.02	14.80
Yatela	12,894,880	12,079,736	36.53	49.30
Energy (GJ)				
Sadiola	1,014,217	887,232	4.14	2.01
Yatela	**1,303,928	449,771	3.69	1.84

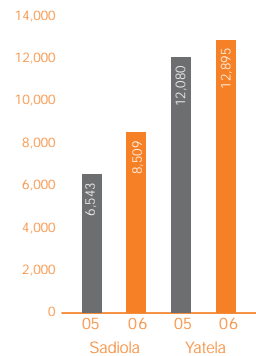
* Reduction in consumption attributed to a significant decrease in the ratio of sulphide ore processed.

** Increase on 2005 attributed to pit deepening and expansion activities.

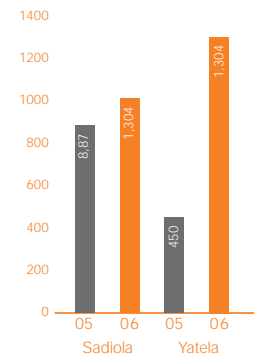
Cyanide usage
(000kg)



Fresh water usage
(000m³)



Energy usage
(000GJ)



Case study

Improvements in environmental incident reporting in Mali

In seeking to uphold its values wherever it does business, AngloGold Ashanti has sought to make a significant contribution to environmental legislation in Mali. In terms of the country's Mining Code (Decree 99-225), Malian legislation stipulates that all environmental incidents must be reported immediately to the mining regulatory authorities. However, the legislation never provided any guidelines with regard to the categorisation of incidents in terms of their seriousness and possible impact on the environment. As a result, mining companies found themselves in the position of reporting all incidents, irrespective of their impact and frequently included minor incidents such as small oil spillages in a workshop. This system is inefficient: the need to report very minor incidents often hampers the smooth running of operations and causes delays in reporting from companies and creates administrative pressure for the authorities. It also does not provide a true reflection of what needs to be addressed.

To deal with this, AngloGold Ashanti and its joint venture partners (IAMGOLD Corporation, the International Finance Corporation and the Malian government at Sadiola, and IAMGOLD and the Malian government at Yatela) have taken a proactive step in developing, in conjunction with the regulating authorities in Mali, a more practical procedure for environmental incident reporting which specifies what type of incident should be reported, as well as when and how it should be reported.

The environmental departments of both Sadiola and Yatela mines initiated a meeting on 18 October 2006 with representatives of the governor of the regional capital Kayes; the regional heads of geology and mines; water affairs and conservation and sanitation and nuisance control; and the mayor and sous-préfet (the civil servant in charge of local executive power) of the Sadiola Commune, both of whom represent the communities who live in the vicinity of the mines. The aim was to streamline the environmental incident reporting procedure to the Malian regulatory authorities.

A point of departure for the discussions was the initial reporting and categorisation of environmental incidents already established by the environmental departments of the Sadiola and Yatela operations, which range from major to minor.

Category 1 incident: This category of incident is classified according to the distance travelled by the pollution, its extent and environmental impact. Such an incident would breach the mine's containment area and encroach into public access areas or could cause medium- to long-term environmental damage. A further measure would be the remedial costs – which would be in the region of \$100,000 or more, including payment of penalties and loss of resources. An exceptional type of category 1 incident is one which involves animal or bird fatalities due to cyanide poisoning. (See case study in Report to Society 2005: *Using cyanide responsibly at CC&V.*) All category 1 incidents are reported to joint venture partners and stakeholders.

Category 2 incident: An incident of lesser concern than category 1, and where the release of pollutants remains within the confines of the operational area. These incidents are deemed to be localised and with short-term impact. They are managed internally and are reported in the mine's monthly and annual monitoring report, both of which are circulated to the joint venture partners.

Category 3 incident: These are generally small and minor spillages of pollutants within the operational area and which cause only temporary environmental damage. Wildlife fatalities, which are unrelated to mining and processing activities, fall under this category. The reporting procedure is as for category 2.



Improvements in environmental incident reporting in Mali *cont.*

Also discussed at the meeting were some of the challenges that presented when having to report environmental incidents to the authorities. They included the following:

- regional regulatory offices are located some 70 km from the operational sites, exacerbated by the fact they are served by poor feeder roads;
- regional regulators tend to make a cursory inspection of the incident site and do not conduct their own investigation;
- site visits must be preceded by a formal invitation to each level of authority, after which team members are chosen and dispatched, resulting in delays. Indeed site visits are often carried out long after remedial action has been taken; and
- environmental incident site visits are costly, since mines are obliged to fund the cost of each regulatory visit to site, approximating \$700 a day. (In 2005 when Sadiola mine recorded 123 incidents, 90% of which were minor, site visits cost the mine in the region of \$86 000.)

Following a debate on the implementation of a new environmental incident reporting system that was both practical and cost-effective, agreement was reached on the categorisation of minor and major incidents and at which level incidents need to be reported.

Incident Category	Description	Example	Reporting frequency
Minor	Particular pollutant spillage from the slimes dam or any other area where mining activity is taking place	Cyanide or polluted water spillage in a contained area	To be reported monthly to the regional director of geology and mines (Kayes) through the incident registers; and in the mine monthly environmental reports
	Light pollutant spillage inside the normal operating area	Spillage of 10 litres of oil in workshop area or any other site where mining activities take place	
Major	Spillage that extends outside the operating zone; significant quantity and damage of pollutant; Ground water contamination	Leak of cyanide delivery pipeline to the heap leach pads or any cyanide solution spillage	To immediately inform the authorities and invite the regulators from the regional technical departments to evaluate and investigate the incident, in conjunction with mine representatives
	Wildlife fatality resulting from toxic chemical poisoning regardless of the size and number	Any bird or animal fatality as a result of contact with cyanide	

Once a blueprint for improved environmental incident reporting was agreed on between government and AngloGold Ashanti and its joint venture partners, the meeting further proposed that the new reporting system be introduced and adopted at other mining operations in the Kayes region, namely Loulo mine (owned jointly by Randgold Resources Ltd and the Malian government) and Tabakoto mine (owned by Nevsun Resources Ltd).

One of the main advantages of the new system is its cost-effectiveness in that the site visits are now limited to major incidents, which in turn reduces the amount of time spent on co-ordinating visits.

At the same time AngloGold Ashanti hopes that these developments will pave the way for better communication between all mining companies and regulators, who see the benefit of liaising with the operations and surrounding communities.

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 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;
- 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.



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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 engagement

At Sadiola and Yatela, mine management meets formally with the local community structures at least once a month, briefings for the local media take place at least twice a year. Furthermore, a public consultation and disclosure plan has been developed for these mines to manage community development projects and to ensure their implementation in a sustainable fashion.

A stakeholders' consultation workshop takes place at Sadiola mine every year – in 2006 it was held in December and brought together about 150 representatives from the local communities; regional and national government; national and international NGOs; the media; mine management; AngloGold Ashanti and the IFC.

Another example of the relationship between the mines and the people who live around them, is the ongoing involvement of communities in water management. An inclusive Water Committee oversees regular water testing and the plans for the sustainable provision of water are being developed.

Social investment

AngloGold Ashanti's attributable corporate social investment expenditure in Mali in 2006 was \$249,000, of which \$210,000 (78%) was spent at Sadiola and Yatela.

In line with AngloGold Ashanti's business principles, social investment initiatives are aimed at making both a practical and a meaningful contribution in those areas of greatest need. A fundamental philosophy of the company is that its operations and activities should contribute towards the long-term sustainable development of its host communities. This is particularly challenging for sometimes short-lived mining operations or exploration projects. A difference can be made, however, through supporting procurement activities; the contribution of redundant assets to the communities; assistance with the establishment and development of small- to medium-sized sustainable enterprises; and the outsourcing of the provision of goods and services to local vendors where appropriate.

Contact details

Madani Diallo

Tel: +223 221 4747

Fax: +223 221 5042

E-mail: madiallo@anglogoldmali.com

General e-mail enquiries

investors@anglogoldashanti.com

Website

www.anglogoldashanti.com

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