

Review of operations

Australia



Sunrise Dam		2008	2007	2006
Pay limit	(oz/t)	0.09	0.06	0.05
	(g/t)	2.79	1.76	1.64
Recovered grade*	(oz/t)	0.101	0.142	0.099
	(g/t)	3.46	4.86	3.39
Gold production	(000oz)	433	600	465
Total cash costs	(\$/oz)	531	306	298
Total production costs	(\$/oz)	635	385	376
Capital expenditure	(\$m)	19	30	24
Total number of employees		410	357	382
Employees		77	102	99
Contractors		333	255	283

* open-pit operation

AngloGold Ashanti's three assets in Australia are the Sunrise Dam gold mine, and the Boddington and Tropicana joint venture projects. In 2008, production from Sunrise Dam was 433,000 ounces, a decline of 28% from 2007 and equivalent to 9% of group production for the year.

At year-end ownership of these assets, all in the state of Western Australia, was as follows:

- The Sunrise Dam gold mine which is 100% owned by AngloGold Ashanti and currently the only producing AngloGold Ashanti operation in Australia.
- The Boddington project, a joint venture between AngloGold Ashanti (33.33%) and Newmont Mining Corporation (66.67%).
- The Tropicana project, a joint venture between AngloGold Ashanti (70%) and Independence Group NL (30%).

SUNRISE DAM

Description

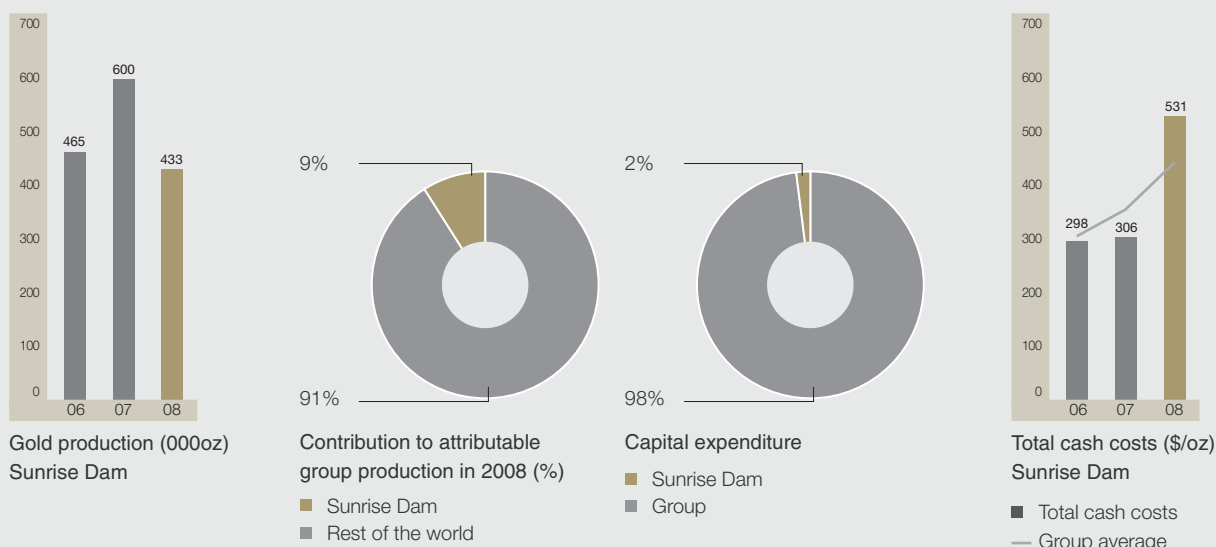
The Sunrise Dam gold mine is located in the northern goldfields of Western Australia, 220 kilometres north-east of Kalgoorlie and 55 kilometres south of Laverton. The mine consists of a large open pit, which is now in its twelfth year of operation, and an underground mine, which began producing in 2003. Mining at both operations is conducted by contractors and the ore mined is treated in a conventional gravity and carbon-in-leach processing plant which is owner-managed.

Safety

No fatalities were recorded and there was an improvement in the rate of lost-time injuries. The LTIFR for the year was 1.83 per million hours worked (2007: 2.63).

Operating review

Production decreased by 28% to 433,000 ounces in line with expectations as mining of the high-grade ore in the base of the Mega Pit was completed. Mill feed comprised stockpiled ore and approximately 73,000 ounces of gold production was sourced from the underground mine where 2,107 metres of underground capital development and 6,661 metres of operational development were completed. A total of 41,417 metres of diamond drilling was also completed.



Processing plant throughput in 2008 was 3.8 million tonnes, equal to throughput in 2007.

The conversion of the mine's diesel power station to liquefied natural gas (LNG) was delayed by an explosion at the Varanus Island gas production installation and the LNG facility will begin operation in the first quarter of 2009.

Total cash costs increased by 75% to A\$619/oz (an increase of 74% in US dollar terms to \$531/oz). Cash costs were impacted by significantly higher input costs, specifically for fuel and labour, during the year.

Capital expenditure for the year amounted to A\$23 million (\$19 million).

Growth prospects

The main open pit (the Mega Pit), with a final depth of 440 metres was completed during 2008. A cutback of the north wall of the open pit is underway and is scheduled for completion in mid-2010. Ore from the cutback will be blended with stockpiled ore and ore from the underground mine.

Successful exploration and advances in geological understanding have resulted in further growth in underground reserves which increased to 1.01 million ounces (after depletion). Underground resources at year-end were 2.49 million ounces (indicated 1.44 million ounces). Total reserves (after depletion) at the mine at year-end were 1.9 million ounces and total resources (after depletion) were 3.85 million ounces.

Outlook

Gold production for 2009 is projected to be approximately 410,000 ounces, with more than 120,000 ounces sourced from the underground mine. Underground production will continue to ramp up for the next several years, with a current peak capacity target of 200,000 ounces per year.

Total cash costs are estimated to be between A\$785/oz and A\$815/oz (\$530/oz and \$550/oz) while capital expenditure is scheduled to be A\$25 million (\$17 million) – to be spent primarily on the underground mine.

Review of operations

Australia cont.



Boddington		2008	2007	2006
Capital expenditure	(\$m) – 100%	1,257	747	180
	(\$m) – 33.33%	419	249	60
Total number of employees		788	424	97
Employees		92	37	12
Contractors		696	387	85

BODDINGTON

Description

Boddington is located 130 kilometres south-east of Perth in Western Australia. The original, predominantly oxide open-pit operation was closed at the end of 2001. Construction of the Boddington Expansion Project, which will mine the extensive basement reserves beneath the oxide pits, was approved in March 2006 and was well advanced by year-end.

Operating review, growth prospects and outlook

Development of the expansion project was approximately 88% complete at year-end, with AngloGold Ashanti contributing \$419 million towards capital costs in 2008. Subsequent to the financial year-end, AngloGold Ashanti announced the sale of its 33.33% stake in Boddington to the Newmont Mining Corporation.

TROPICANA

Description

The Tropicana Joint Venture comprises more than 13,000 square kilometres of tenements stretched along more than 300 kilometres of the ancient collision zone between the Yilgarn Craton and the Albany Fraser Province in Western Australia. The Tropicana Gold Project is located 330 kilometres east-north-east of Kalgoorlie within the northern part of the joint venture area. AngloGold Ashanti holds a 70% interest in the Tropicana JV and Independence Group NL holds a 30% interest.

Operating review, growth prospects and outlook

The pre-feasibility study on the Tropicana Gold Project began in June 2007. The study, which focuses on the Tropicana and Havana zones, is scheduled for completion in the second quarter of 2009.

The emphasis of drilling at the Tropicana Gold Project has been to increase the confidence of the resource estimate, which has increased by almost 1 million ounces. The resource comprises a Measured 19.9 million tonnes grading 2.38g/t, an Indicated 31.0 million tonnes grading 2.06 g/t and an Inferred 24.3 million tonnes grading 1.83g/t for a total resource estimate of 75.3 million tonnes grading 2.07g/t and containing 5 million ounces of gold.

Metallurgical testwork and engineering studies have determined that the preferred plant configuration is a conventional carbon-in-leach circuit. Energy efficiency is an important consideration for the project with studies focused on assessment of the optimal crushing and grinding circuit, which will include energy-efficient high-pressure grinding rolls. A wide range of processing rates of up to 7.5 million tonnes per annum have been evaluated. Further pre-feasibility study level work is being undertaken to optimise mine planning and scheduling as a result of the increase in resources. A comprehensive review of electrical power options is in progress with the objective of achieving low operating costs. Diesel, gas, electrical grid reticulation and solar thermal power are being evaluated.

Extensive baseline environmental studies for the project have been substantially completed with formal submission of major Environmental Impact Assessment documents scheduled for early 2009. It is anticipated full environmental permitting of the project will take approximately 12 months to complete.

Regional exploration continues on the greater tenement package (see the Global exploration section of this report for additional information).



Luke Bergin

Senior Project Geologist, Perth Office, Australia

“I believe Corporate Social Investment (CSI) is an integral part of any company’s strategy, and it is important that AngloGold Ashanti is committed to ensuring that our host communities have a sustainable future.”