

# Review of operations

## Mali



Sadiola		2008	2007	2006
Pay limit	(oz/t)	<b>0.07</b>	0.08	0.06
	(g/t)	<b>2.18</b>	2.46	1.98
Recovered grade	(oz/t)	<b>0.100</b>	0.081	0.094
	(g/t)	<b>3.42</b>	2.76	3.22
Gold production	(000oz) – 100%	<b>453</b>	369	500
	– 38%	<b>172</b>	140	190
Total cash costs	(\$/oz)	<b>399</b>	414	270
Total production costs	(\$/oz)	<b>554</b>	462	335
Capital expenditure	(\$m) – 100%	<b>8</b>	16	11
	– 38%	<b>3</b>	6	4
Total number of employees	– 100%	<b>1,510</b>	1,529	1,294
Employees		<b>634</b>	618	589
Contractors		<b>876</b>	911	705

AngloGold Ashanti has interests in three gold mining operations in Mali, namely, Sadiola, Yatela and Morila. It manages two of these operations, Sadiola and Yatela. Together these three operations had combined attributable production of 409,000 ounces, 8% of group production.

Ownership of these three operations is as follows:

- Sadiola: AngloGold Ashanti and IAMGOLD each have an interest of 38% in the joint venture while the government of Mali has an interest of 18% and the International Finance Corporation, 6%.
- Yatela: this operation is 80% owned by the Sadiola Exploration Company Limited, a joint venture in which AngloGold Ashanti and IAMGOLD each have an effective holding of 50%. The government of Mali owns the remaining 20%.
- Morila: this operation is 80% owned by Morila Limited, a joint venture in which AngloGold Ashanti and Randgold Resources each have an effective holding of 50%. The government of Mali owns the remaining 20%. Randgold Resources took over the management of this operation during 2008.

Total attributable production from the Mali operations was 7% down on that of 2007. Overall the total cash cost at these operations was \$430/oz, an annual increase of 23%. This increase was a function of reduced production, a weaker dollar against the euro and significant increases in the price of fuel, mining contract and reagents costs.

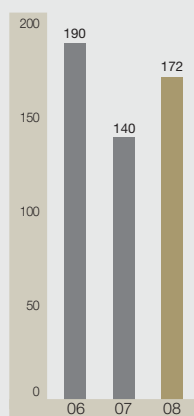
### SADIOLA

#### Description

Sadiola is situated in the far south-west of the country, 77 kilometres to the south of the regional capital of Kayes. Mining takes place in five open pits and the ore mined is treated and processed in a 435,000Mtpm (5.2Mtpa) CIP gold plant.

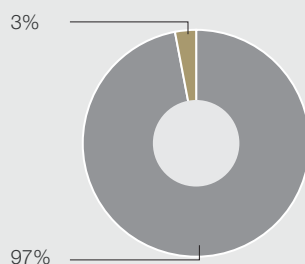
#### Safety

Overall safety performance improved at Sadiola with an LTIFR for the year of 0.87 per million hours worked (2007: 1.11). There were no fatalities during the year. Sadiola achieved OHSAS 18001:1999 certification in March 2008 after a successful certification audit.



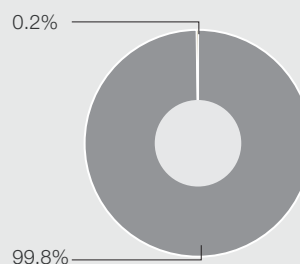
Gold production (000oz)\*  
Sadiola

\*Attributable



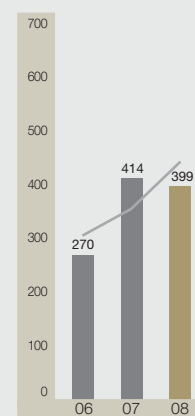
Contribution to attributable  
group production in 2008 (%)

■ Sadiola  
■ Rest of the world



Capital expenditure

■ Sadiola  
■ Group



Total cash costs (\$/oz)  
Sadiola

■ Total cash costs  
— Group average

### Operating review

Attributable production rose by 23% in the year to 172,000 ounces (2007: 140,000 ounces). The major contributor was the improved recovery rates achieved after commissioning of the gravity circuit in December 2007. The new circuit configuration had a major impact on both sulphide and oxide ore recoveries during 2008. Major mechanical breakdowns in the milling section during the second and third quarters were offset by changing the feed blend to the plant to include more higher grade sulphide material.

Total cash costs declined by 4% to \$399/oz (2007: \$414/oz), largely owing to the increased level of production with the resultant economies of scale and a decrease in the consumption of reagents given the change in the ore blending process. The inflationary pressures of higher fuel, reagents and mining contract costs were mitigated by increased production.

Total capital expenditure of \$8 million – attributable \$3 million – was spent during the year with most of this expenditure being on the completion of phase 2 of the gravity circuit installation (\$2.4 million) and on the deep sulphide project (\$2.2 million).

### Growth prospects

The review of various options to improve current assumptions in the Deep Sulphide Project continues. The review is focused on the mining method to be implemented, scale, energy consumption, and metallurgical recovery so as to convert the vast indicated resource below the main pit into a reserve. A significant improvement was made in the understanding of sulphide ore recovery in 2008 and the commissioning of the new gravity circuit at the concentrator at the end of 2007 has enabled recovery of the very high-grade sulphide ores on stockpile.

### Outlook

Attributable production at Sadiola is projected to be 130,000 ounces at a total cash cost of between \$495/oz and \$515/oz. Capital expenditure of \$8 million (\$3 million attributable) is planned.

# Review of operations

## Mali cont.



Yatela		2008	2007	2006
Pay limit	(oz/t)	<b>0.04</b>	0.04	0.06
	(g/t)	<b>1.34</b>	1.37	1.79
Recovered grade	(oz/t)	<b>0.078</b>	0.101	0.120
	(g/t)	<b>2.66</b>	3.46	4.12
Gold production	(000oz) – 100%	<b>165</b>	301	352
	– 40%	<b>66</b>	120	141
Total cash costs	(\$/oz)	<b>572</b>	322	228
Total production costs	(\$/oz)	<b>591</b>	381	299
Capital expenditure	(\$m) – 100%	<b>8</b>	5	3
	– 40%	<b>3</b>	2	1
Total number of employees	– 100%	<b>888</b>	903	878
Employees		<b>305</b>	265	203
Contractors		<b>583</b>	638	675

### YATELA

#### Description

Yatela is situated some 25 kilometres north of Sadiola and approximately 50 kilometres south-south-west of Kayes. This is a single pit operation. The ore mined is treated at a heap-leach pad together with carbon-loading. The carbon is then eluted and the gold smelted at nearby Sadiola.

#### Safety

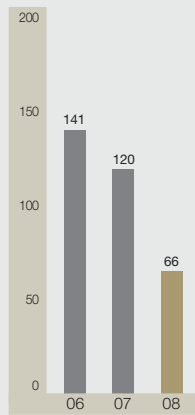
Overall safety performance regressed considerably at Yatela with an LTIFR for the year of 1.15 per million hours worked (2007: 0.39). There were no fatalities during the year. Yatela achieved OHSAS 18001 certification in March 2008 after a successful certification audit.

#### Operating review

Attributable gold production at Yatela declined by 45% to 66,000 ounces for the year (2007: 120,000 ounces). The main reason for this decline in production was a marked decrease in head grade owing to underperformance of Pushback 5, which led to lower grade ore being supplied for stacking at the heap-leach pads. Yatela successfully changed the mining contractor employed at the mine during the year.

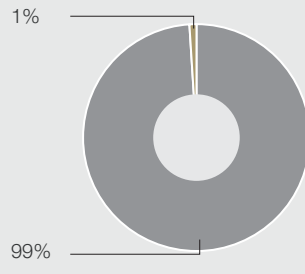
Total cash costs rose by 78% to \$572/oz, a result of the significantly reduced levels of production, weaker dollar against the euro and higher fuel and reagent prices.

Capital expenditure of \$8 million (attributable \$3 million) in 2008 was spent mostly on the construction of additional leach pads.



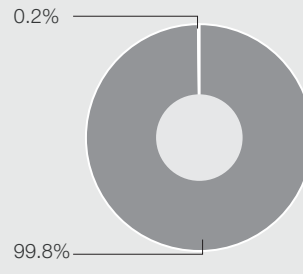
Gold production (000oz)\*  
Yatela

\*Attributable



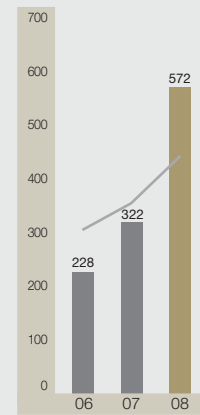
Contribution to attributable  
group production in 2008 (%)

■ Yatela  
■ Rest of the world



Capital expenditure

■ Yatela  
■ Group



Total cash costs (\$/oz)  
Yatela

■ Total cash costs  
— Group average

### Growth prospects

The push back 7 project will allow the operation to access the bottom of the main pit in 2009.

### Outlook

Attributable production at Yatela is projected to be 90,000 ounces. Total cash costs are expected to decrease to between \$440/oz and \$460/oz. Capital expenditure of \$2.5 million (\$1 million attributable) is planned.



Mali, Yatela

# Review of operations

## Mali cont.



Morila		2008	2007	2006
Pay limit	(oz/t)	<b>0.06</b>	0.08	0.08
	(g/t)	<b>2.17</b>	2.46	2.41
Recovered grade	(oz/t)	<b>0.090</b>	0.098	0.113
	(g/t)	<b>3.08</b>	3.36	3.88
Gold production	(000oz) – 100%	<b>425</b>	450	517
	– 40%	<b>170</b>	180	207
Total cash costs	(\$/oz)	<b>419</b>	350	275
Total production costs	(\$/oz)	<b>495</b>	421	349
Capital expenditure	(\$m) – 100%	<b>3</b>	1.3	3
	– 40%	<b>1</b>	0.5	1
Total number of employees	– 100%	<b>1,703</b>	1,686	1,575
Employees		<b>605</b>	498	500
Contractors		<b>1,098</b>	1,188	1,075

### MORILA

#### Description

The Morila mine is situated some 180 kilometres by road south-east of Bamako, the capital of Mali. Open-pit mining takes place at five pushbacks within one pit. On completion, the Morila pit will be approximately 1.4 kilometres by 1 kilometre and up to 240 metres deep. The plant, which is based on a conventional carbon-in-leach (CIL) process with an upfront gravity section to extract the free gold, has throughput capacity of 4.2Mtpa. The Morila mine is managed by AngloGold Ashanti's joint venture partner, Randgold Resources Limited.

#### Safety

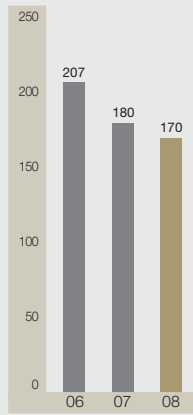
Safety is under the control and management of Randgold Resources.

#### Operating review

Attributable gold production at Morila decreased 6% to 170,000 ounces (2007: 180,000 ounces), as a result of changes in the geological model. Closely drilled grade control holes did not confirm the high grades scheduled from the resource, and as a result, lower grades than planned were fed to the processing plant. Volumes mined were 20% lower in 2008 as compared to 2007, due to the mining of the relatively narrower areas at the final limits of the pit.

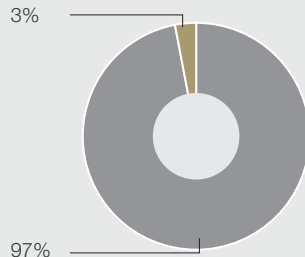
Total cash costs increased 20% to \$419/oz, a result of the reduced levels of production, a weakening in the dollar against the euro, and significant increases in fuel, mining contractor and certain reagent costs.

Capital expenditure of \$3 million (attributable \$1 million) in 2008 was spent on stay-in-business capital.



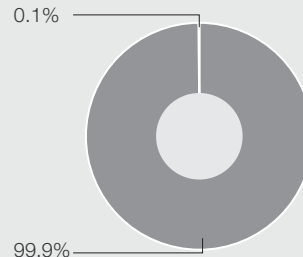
Gold production (000oz)\*  
Morila

\*Attributable



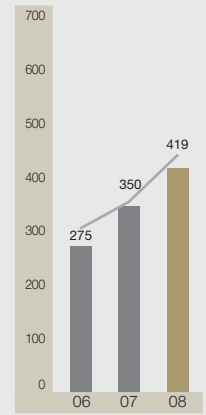
Contribution to attributable  
group production in 2008 (%)

■ Morila  
■ Rest of the world



Capital expenditure

■ Morila  
■ Group



Total cash costs (\$/oz)  
Morila

■ Total cash costs  
— Group average

### Growth prospects

Exploration work focused mainly on the creation of a 3D model and testing the applicability of recent interpretations to the broader permit area. The regional geological modelling and motivation for targeted areas drilling will be completed by December 2008. Drilling of key targets will commence in early 2009.

### Outlook

From April 2009, Morila will only process stockpiles. Attributable production at Morila is projected to be around 130,000 ounces while total cash costs are forecast to increase to between \$550/oz and \$570/oz. Capital expenditure of \$10 million (\$4 million attributable) is planned for 2009, to be spent on the purchase of the mining fleet from the mining contractors.



Mali, Morila