

This document comprises a prospectus relating to AngloGold Ashanti Limited ("AngloGold Ashanti" or the "Company") and has been prepared in accordance with the Prospectus Rules made under section 73A of the Financial Services and Markets Act 2000 ("FSMA"). This document has been filed with the Financial Services Authority ("FSA") and has been made available to the public in accordance with section 3.2 of the Prospectus Rules. The FSA, as competent authority under the Prospectus Directive 2003/71/EC (the "Prospectus Directive"), has approved this document as meeting the requirements of section 87A of the FSMA. The Company has requested, pursuant to Chapter IV of the Prospectus Directive and section 87I of the FSMA that the FSA provide a certificate of approval, a copy of this document, and a translation of the summary of this document to the Autorité des Marchés Financiers ("AMF"), the relevant competent authority in France under the Prospectus Directive.

The directors, whose names appear on page 1 of this Prospectus, and the Company, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.



AngloGold Ashanti Limited

(incorporated and registered in South Africa with registration number 1944/017354/06)

Prospectus

relating to admission to the Official List and to trading on the London Stock Exchange of

69,470,442 ordinary shares of ZAR0.25 each

Following the issuance of New Shares pursuant to the Rights Offer, applications have been made to the UK Listing Authority for New Shares to be admitted to the Official List maintained by the UK Listing Authority and to the London Stock Exchange to be admitted to trading on the London Stock Exchange's main market for listed securities. Application has also been made to NYSE Euronext for New Shares to be listed on Euronext Paris. It is expected that admission to listing and trading of New Shares will become effective and that dealings will commence in New Shares on 8 May 2009.

THE DISTRIBUTION OF THIS PROSPECTUS MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. ACCORDINGLY, NEITHER THIS DOCUMENT NOR ANY ADVERTISEMENT MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS. ANY FAILURE TO COMPLY WITH APPLICABLE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS. DUE TO RESTRICTIONS UNDER THE SECURITIES LAWS OF SUCH COUNTRIES PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES MUST INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS. THE COMPANY AND ITS ADVISERS DO NOT ACCEPT ANY RESPONSIBILITY FOR ANY VIOLATION BY ANY PERSON OF ANY SUCH RESTRICTIONS.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR BUY THE COMPANY'S SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR INVITATION WOULD BE UNLAWFUL.

This document is intended for use only outside the United States, is not to be given or sent, in whole or in part, to any person within the United States or to any U.S. persons as defined in Regulation S under the U.S. Securities Act of 1933, as amended, and does not constitute an offer of securities for sale into the United States.

This Prospectus has been prepared on the basis that any offers of the Company's shares in any Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") other than in the UK and France (in the case of the UK once this prospectus has been approved by the Financial Services Authority and published in accordance with the Prospectus Directive as implemented in the UK and in the case of France once this Prospectus has been published and notified to the Autorité des Marchés Financiers in accordance with the Prospectus Directive as implemented in France) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus. Accordingly, any person making or intending to make any offer in that Relevant Member State of shares of the Company may only do so in circumstances in which no obligation arises for the Company or any other person to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Company has not authorised, nor does it authorise, the making of any offer of shares of the Company in circumstances in which an obligation arises for the Company or any other person to publish or supplement a prospectus for such offer.

In relation to each Relevant Member State, no offer of shares of the Company may be made except:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of the Company shall require the Company or any other person to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this section, the expression an "offer to the public" in relation to any shares of the Company in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of the Company to be offered so as to enable an investor to decide to purchase any shares of the Company, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

As a result of the publication of this prospectus, for the purposes of article 15 of the Prospectus Directive, the circular to shareholders issued by the Company dated 22 May 2008 and other materials and communications relating to the offering of New Shares, to the extent that such documents could be construed as relating to the admission to trading of the New Shares for the purposes of article 15 of the Prospectus Directive, should be construed as constituting advertisements (and not prospectuses). Any investor or potential investor in the UK or France should base any investment decision relating to the shares or New Shares after the date of publication of this prospectus on the information contained in this prospectus and not on any other document.

The contents of this document should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

The date of this Prospectus is 6 May 2009

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SUMMARY INFORMATION

The following summary should be read as an introduction to this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff might, under the national legislation of the European Economic Area member states, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary including any translation of it but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Company Overview

The Company is a global gold company with a diversified portfolio of assets in many key gold producing regions. As at 31 December 2008, the Company had gold reserves of 74.9 million ounces. For the year ended 31 December 2008, the Company had consolidated gold revenues of U.S.\$3,619 million (which excludes revenue from by-products and interest earned), gold production of 4.98 million ounces and total cash costs of U.S.\$444 per ounce.

The Company was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and in South Africa it is subject to the South African Companies Act 61 of 1973, as amended. The Company's memorandum of association provides that the company's main business is to carry on gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold. AngloGold Limited was formed following the consolidation of the gold interests of Anglo American plc into a single company in 1998. At that time, its production and reserves were primarily located in South Africa (97 percent of 1997 production and 99 percent of reserves as at 31 December 1997) and one of its objectives was to achieve greater geographic and ore body diversity. On 26 April 2004, the Company acquired the entire issued share capital of Ashanti Limited and changed its name to AngloGold Ashanti. The Company's Registered Principal office is located at 76 Jeppe Street, Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa (Telephone +27 11 637-6000).

Through a combination of mergers, acquisitions, disposal initiatives and organic growth, and through the operations in which the Company has an interest, it has developed a high quality, well diversified asset portfolio, including:

- production from 21 operations in 10 countries: Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States;
- production and reserves for the year ended 31 December 2008 of 58 percent and 55 percent, respectively, from operations outside South Africa; and
- gold production from a broad variety of ore body types as well as a variety of open pit (42 percent) underground (55 percent) and surface and dump reclamation (3 percent) operations.

Strategy

The Company's business strategy has three principal elements:

- managing the business;
- portfolio optimisation and capital deployment; and
- growing the business.

Risk Factors

Set out below are the principal risks for investors:

Risks related to the gold mining industry generally

- Global economic conditions could adversely affect the profitability of the Company's operations.

- Commodity market price fluctuations could adversely affect the profitability of the Company's operations.
- The profitability of the Company's operations, and the cash flows generated by these operations, are significantly affected by the fluctuations in input production prices, many of which are linked to the prices of oil and steel.
- The Company's operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, heavy mining equipment and metallurgical plant.
- Mining companies face many risks related to their operations (including their exploration and development activities) that may adversely affect their cash flows and overall profitability.
- Mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.
- Mining companies are subject to extensive health, safety and environmental laws and regulations.

Risks related to the Company's operations

The Company faces many risks related to its operations that may affect its cash flows and overall profitability:

- The Company's level of indebtedness could adversely affect its business.
- The Company uses gold hedging instruments and has entered into long-term sales contracts, which may prevent it from realising potential gains resulting from subsequent commodity price increases in the future. The Company's reported financial condition could be adversely affected as a result of the need to fair value all of its hedge contracts.
- Power stoppages, fluctuations and energy cost increases could adversely affect the Company's results of operations and its financial condition.
- Contracts for sale of uranium at fixed prices could affect the Company's operational results and financial condition.
- Foreign exchange fluctuations could have a material adverse effect on the Company's operational results and financial condition.
- Inflation may have a material adverse effect on the Company's operational results.
- The Company's new order mining rights in South Africa could be suspended or cancelled should the Company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.
- The introduction of South African State royalties where a significant portion of the Company's mineral reserves and operations are located will have an adverse effect on its results of operations and its financial condition.
- Certain factors may affect the Company's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on its balance sheet.
- Diversity in interpretation and application of accounting literature in the mining industry may impact the Company's reported financial results.
- The Company's mineral reserves, deposits and mining operations are located in countries that face political, economic and/or security risks.
- Labour disruptions and/or increased labour costs could have an adverse effect on the Company's operating results and financial condition.
- The use of mining contractors at certain of the Company's operations may expose it to delays or suspensions in mining activities and increases in mining costs.

- The Company competes with mining and other companies for key human resources.
- The Company faces certain risks in dealing with HIV/AIDS that may adversely affect its results of operations and financial condition.
- The Company faces certain risks in dealing with malaria and other tropical disease outbreaks, particularly at its operations located in Africa, which may have an adverse effect on operational results.
- The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect upon the results of the Company's operations and its financial condition.
- The costs associated with the pumping of water inflows from closed mines adjacent to the Company's operations could have an adverse effect upon operational results.
- The occurrence of events for which the Company is not insured or for which its insurance is inadequate may adversely affect its cash flows and overall profitability.
- The Company does not have management control over two significant joint venture projects. If these projects are not managed effectively, the Company's investment could be adversely affected or its reputation could be harmed.
- If the Company does not complete the sale of its interest in the Boddington Gold Mine then it may have less cash available, including to repay amounts outstanding under the 2008 Term Facility.
- The Company may experience unforeseen difficulties, delays or costs in successfully implementing its business strategy, and its strategy may not result in the anticipated benefits.

Risks related to the Company's shares

- Sales of large quantities of shares, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.
- Fluctuations in the exchange rate of different currencies may reduce the market value of the shares, as well as the market value of any dividends or distributions paid by the Company.
- The recently announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by the Company's shareholders.

Summary financial and operating data

The tables below set out selected financial and operating information of the Group for the periods indicated.

The audited financial information below has been extracted without material adjustment from the Company's audited consolidated financial statements prepared in accordance with IFRS and incorporated by reference into this Prospectus.

The financial information as at, and for the year ended, 31 December 2007 captioned "as restated" reflects the restatements made by the Group to their 2007 financial information. The restated financial information, which has not been audited, reflects the change in accounting policy to provide more relevant financial data regarding incorporated joint ventures as returns from these investments are limited to dividends, which is more representative of the income flows.

	Year ended 31 December			
	2006 (audited)	2007 As reported (audited) (U.S. dollar millions)	2007 As restated (unaudited)	2008 (audited)
Income Statement Data				
Revenue	3,106	3,472	3,113	3,743
Cost of sales	(2,282)	(2,636)	(2,458)	(2,728)
Loss on non-hedge derivatives and other commodity contracts	(239)	(780)	(792)	(297)
Gross profit/(loss)	443	(136)	(248)	594
Corporate administration and other expenses	(84)	(126)	(128)	(131)
Market development costs	(16)	(16)	(16)	(13)
Exploration costs	(61)	(120)	(117)	(126)
Operating profit/(loss)	246	(439)	(542)	(1,220)
Interest received	32	45	43	66
Fair value adjustment on option component of convertible bond	16	47	47	25
Finance costs and unwinding of obligations	(123)	(125)	(120)	(114)
Share of associates' (loss)/profit	(1)	(23)	35	(138)
Profit/(loss) before taxation	168	(492)	(536)	(1,377)
Taxation	(180)	(145)	(101)	197
Loss after taxation from continuing operations	(12)	(637)	(637)	(1,180)
(Loss)/profit from discontinued operations	(2)	1	1	25
Loss for the year	(14)	(636)	(636)	(1,155)
<i>Allocated as follows</i>				
Equity shareholders	(44)	(668)	(668)	(1,195)
Minority interests	30	32	32	40
	(14)	(636)	(636)	(1,155)
Loss per Share (cents)				
- Basic (Continuing Operations)	(15)	(237)	(237)	(385)
- Diluted (Continuing Operations)	(15)	(15)	(237)	(385)
Dividend per Share (cents)	62	19¹	45	13
As at 31 December				
	2006 (audited)	2007 As reported (audited) (U.S. dollar millions)	2007 As restated (unaudited)	2008 (audited)
Cash and cash equivalents	495	496	477	575
Total assets	8,943	9,820	9,708	8,060
Shareholders' equity	2,985	2,379	2,379	2,428
Long-term borrowings	1,423	1,533	1,529	870
Short-term borrowings	59	339	319	1,063
Other current liabilities	2,440	3,609	3,557	2,418
Total equity and liabilities	8,943	9,820	9,708	8,060

¹ Dividend per Share in 2007 was restated for the actual exchange rate on the payment date.

	Year ended 31 December			
	2006 (audited)	2007 As reported (audited) (U.S. dollar millions)	2007 As restated (unaudited)	2008 (audited)
Statement of Cash Flow Data				
Net cash inflow/(outflow) from operating activities	1,137	882	866	(529)
Net cash outflow from investing activities	(738)	(1,022)	(1,015)	(1,041)
Net cash (outflow)/inflow from financing activities	(110)	127	141	1,756

	Year ended 31 December		
	2006	2007	2008
Operating Information			
Gold production (thousand ounces)	5,635	5,477	4,982
Total cash costs (U.S.\$/oz)	308	357	444
Total production costs (U.S.\$/oz)	414	476	567
Capital expenditure (million U.S. dollars)	817	1,059	1,201

Current trading and prospects

The Company forecasts gold production for 2009 to be between 4.9 million and 5.0 million ounces at a total cash cost in the range between U.S.\$435 per ounce and U.S.\$450 per ounce. This is based on the following exchange rate assumptions: ZAR9.75/U.S.\$, A\$/U.S.\$0.68, BRL2.25/U.S.\$ and Argentinean peso 3.65/U.S.\$.

As a result of the hedge restructuring completed in 2008 and assuming a spot gold price of approximately U.S.\$900 per ounce in 2009, the Company expects an average price received of U.S.\$846 per ounce in 2009, which represents a 6 percent discount to the spot price as at 31 December 2008 and a significant improvement in the position prevailing prior to the hedge restructuring.

The Company has scheduled capital expenditure of approximately U.S.\$840 million in 2009, of which South Africa accounts for 36 percent, Ghana and Brazil each 18 percent, and the U.S. 9 percent.

Recent developments

Rights Offer

On 23 May 2008, the Company announced that it would proceed, subject to certain conditions, with an approximate one-for-four renounceable, fully underwritten rights offer (the "Rights Offer"). The Rights Offer was completed on 11 July 2008. In connection with the Rights Offer, the Company issued a total of 69,470,442 New Shares, in the form of ordinary shares and received approximate net proceeds, after deducting the underwriters' commission and other expenses, of ZAR13.477 billion (U.S.\$1.7 billion).

The principal purpose of the Rights Offer was to provide the Company with additional financial resources to improve its financial flexibility. In particular, the net proceeds from the Rights Offer have and will continue to allow the Company to both significantly restructure and reduce its existing gold hedging position, which has adversely affected its financial performance in recent years, while also being able to continue to fund its principal development projects and exploration growth initiatives.

Sale of Boddington Joint Venture Interest

On 28 January 2009, the Company announced that it had agreed to sell its indirect 33.33 percent joint venture interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation ("NMC") for an aggregate consideration of up to approximately U.S.\$1.1 billion. The consideration for

the sale of Boddington, which is expected to close during the second quarter of 2009, involves the following elements:

- an upfront cash consideration on closing of the sale of U.S.\$750 million;
- a deferred payment due at the end of 2009 of U.S.\$240 million, payable in cash or freely tradable NMC shares;
- full reimbursement upon closing of all cash calls for the project funded by the Company during 2009;
- royalty payments of up to U.S.\$100 million payable quarterly from after mid-2010, subject to the project achieving a cash cost margin in excess of U.S.\$600 per ounce; and
- a payment from the Company to NMC of U.S.\$8 million upon closing, being the Company's share of Boddington's working capital liability at 31 December 2008.

In addition to saving on budgeted capital expenditure of A\$269 million during 2009, the proceeds from the sale (net of capital gains tax) to be received in 2009 is expected to be approximately U.S.\$907 million.

Sale of Tau Lekoa Mine

On 17 February 2009, the Company announced that it had agreed to sell, with effect from 1 January 2010 (or after), the Tau Lekoa mine together with the adjacent Weltevreden and Goedgenoeg project areas to Simmer & Jack Mines Limited ("Simmers") for an aggregate consideration of:

- ZAR600 million less an offset up to a maximum of ZAR150 million for unhedged free cash flow (net cash inflow from operating activities less stay-in-business capital expenditure) generated by the Tau Lekoa mine in the period between 1 January 2009 and 31 December 2009 as well as an offset for unhedged free cash flow generated by the Tau Lekoa mine in the period between 1 January 2010 and the effective date of the transaction. Consequently, the Company will retain all unhedged free cash flow generated from the Tau Lekoa mine for the year ending 31 December 2009 greater than ZAR150 million. Simmers will endeavour to settle the transaction consideration (ZAR 600 million less the offsets referred to above) entirely in cash, however Simmers may issue shares in Simmers up to a maximum value of ZAR150 million with the remainder payable in cash; and
- a royalty, determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa mine and any operations as developed at Weltevreden and Goedgenoeg. The royalty will be payable quarterly for each quarter commencing from 1 January 2010 until the total production from the assets upon which the royalty is paid is equal to 1.5 million ounces and provided that the average quarterly rand price of gold is equal to or exceeds ZAR180,000/kg (in 1 January 2010 terms).

The effective date of the transaction will occur on the later of 1 January 2010 or the first day in the calendar month following the fulfilment of all conditions precedent to the transaction. The Company will continue to operate Tau Lekoa with appropriate joint management arrangements with Simmers until the effective date. In addition, following the effective date, Simmers will treat all ores produced from the assets at its own processing facilities. As a result the Company will have increased processing capacity available, allowing for the processing of additional material sooner from its other Vaal River mines and surface sources, thereby further accelerating cash flow from these other operations.

Sale by AA plc of its Remaining interest in the Company

During the period 1 January 2009 through 25 February 2009, AA plc sold approximately 4.9 percent (17,263,901 shares) in the Company, and on 17 March 2009, AA plc announced that it had sold its remaining 11.3 percent (39,911,282 Shares) in the Company to investment funds managed by Paulson & Co Inc.

word count: 2,358

RISK FACTORS

Any investment in the Company is subject to a number of risks. Prospective investors should read this entire Prospectus, together with the documents incorporated by reference herein. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Company, which, in turn, could adversely affect the trading price of the Company's shares and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Company faces. The Company has described only those risks relating to the Company and the gold mining industry that it considers to be material. There may be additional risks that it currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Investors should carefully consider whether an investment in the Company is suitable for them in light of the information in this Prospectus and their personal circumstances.

Risks related to the gold mining industry generally

Global economic conditions could adversely affect the profitability of the Company's operations.

The Company's operations and performance depend significantly on worldwide economic conditions. The current turmoil affecting the banking system and financial markets has resulted in major financial institutions consolidating or going out of business, the tightening of credit markets, significantly lower liquidity in most financial markets, and extreme volatility in fixed income, credit, currency and equity markets. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty regarding corporate earnings.

These disruptions in the financial markets and the global economic downturn may have follow-on effects on the Company's business. For example:

- the insolvency of key suppliers could result in a supply chain break-down;
- the failure of hedging and derivative counterparts and other financial institutions may negatively impact the Company's results of operations and financial condition;
- other income and expense could vary materially from expectations depending on gains or losses realised on the sale or exchange of financial instruments and impairment charges may be incurred with respect to the Company's investments;
- other amounts realised in the future of the Company's financial instruments could differ significantly from the fair values currently assigned to them;
- the Company's defined benefit pension fund may not achieve expected returns on its investments, which could require the Company to make substantial cash payments to fund any resulting deficits;
- the absence of available credit may make it more difficult for the Company to obtain, or may increase the cost of obtaining finance for the Company's operations in the longer term; and
- a credit downgrading of companies, including the Company, could adversely affect the ability of the Company to raise new financing in the longer term and could also impact the market value of the Company's securities.

Uncertainty regarding current global economic conditions may also increase the volatility of the market value of the Company's securities.

Commodity market price fluctuations could adversely affect the profitability of the Company's operations.

The Company predominately sells gold as its main product, but also some silver and uranium. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the Company's control. Causes of gold price fluctuations include the following:

- speculative positions taken by investors or traders in gold;
- changes in the demand for gold as an investment;
- changes in the demand for gold used in jewellery and for other industrial uses, including as a result of prevailing economic conditions;
- changes in the supply of gold from production, disinvestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the U.S. dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or expected gold sales by central banks and the International Monetary Fund;
- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- the cost of gold production in major gold-producing nations in which the Company has operations, such as South Africa, the United States and Australia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of aboveground stocks of the metal in comparison to other commodities, these factors typically do not affect the gold price in the same manner or degree that the supply of and demand for other commodities tends to affect their market price. In addition, the current significant instability in the financial markets may heighten these fluctuations.

The market price of gold has experienced significant volatility in recent months. During the fourth quarter of 2008, the gold price traded from a high of U.S.\$918 per ounce to a low of U.S.\$693 per ounce. On 29 April 2009, the afternoon fixing price of gold on the London Bullion Market was U.S.\$898.25 per ounce. A sustained period of significant gold price volatility may adversely affect the Company's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

In addition to the spot price of gold, a portion of the Company's gold sales is determined at prices in accordance with the various hedging contracts that it has entered into, or may enter into, with various gold hedging counterparts.

If revenue from gold sales falls below the cost of production for an extended period, the Company may experience losses and be forced to curtail or suspend some or all of its capital projects or existing operations, particularly those operations having operating costs that are flexible to such short- to medium-term curtailment or closure, or change its dividend payment policies. In addition, it would have to assess the economic impact of low gold prices on its ability to recover any losses that may be incurred during that period and on its ability to maintain adequate cash reserves.

The profitability of the Company's operations, and the cash flows generated by these operations, are significantly affected by the fluctuations in input production prices, many of which are linked to the prices of oil and steel.

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives and tyres, which are used in mining operations form a relatively large part of the operating costs of any mining company. The cost of these consumables is linked to some degree to the price of oil. The price of oil has been extremely volatile in recent months, reaching a high of U.S.\$147 per barrel and a low of U.S.\$44 per barrel in 2008.

The Company has estimated that for each U.S.\$1 per barrel rise in the oil price, the average cash costs of all its operations increases by about U.S.\$0.50 per ounce with the cash costs of certain of its mines, which are more dependent on fuel, being more sensitive to changes in the price of oil.

Furthermore, the cost of steel, which is used in the manufacture of most forms of fixed and mobile mining equipment, is also a relatively large contributor to the operating costs and capital expenditure of a mining company.

Fluctuations in the price of oil and steel have a significant impact upon operating cost and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable. The Company has no influence over the price of fuel, chemical reagents, explosives, steel and other commodities used in its mining activities.

The Company's operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, heavy mining equipment and metallurgical plant.

Due to the significant increase in the world's demand for commodities in recent years, the global mining industry has experienced an increase in production capacity both in terms of expansions at existing, as well as the development of new, production facilities. There are recent indications however that this trend has now changed with a sharp decline in demand for most commodities.

This increase in production capacity expansion has taken place, in certain instances, without a matching increase in the capacity for production of certain strategic spares, critical consumables and mining and processing equipment used to operate and construct mining operations, resulting in shortages of, and an increase in the lead times to deliver, these items.

In particular, the Company and other gold mining companies have experienced shortages in critical consumables such as tyres for mobile mining equipment, underground support, as well as certain critical spares for both mining equipment and processing plants including, for example, gears for the ball-mills. In addition, the Company has experienced an increase in delivery times for these and other items. These shortages have also resulted in unanticipated increases in the price of certain of these and other items. Shortages of critical spares, consumables and equipment result in production delays and production shortfalls. Increases in prices result in an increase in both operating costs and the capital expenditure to maintain and develop mining operations.

While the recent decline in demand for most commodities may alleviate shortages of, and delivery times for, strategic spares, critical consumables, heavy mining equipment and metallurgical plant, the Company and other gold mining companies, individually, have limited influence over manufacturers and suppliers of these items. In addition, the supply chain for these items could be disrupted by global economic conditions. If the Company experiences shortages, or increased lead times in delivery of strategic spares, critical consumables, heavy mining and certain processing equipment, its results of operations and its financial condition could be adversely affected.

Mining companies face many risks related to their operations (including their exploration and development activities) that may adversely affect their cash flows and overall profitability.

Uncertainty and cost of mineral exploration and acquisitions

Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to:

- establish the presence, and to quantify the extent and grades (metal content), of mineralised material through exploration drilling;
- determine appropriate metallurgical recovery processes to extract gold from the ore;
- estimate Ore Reserves;
- undertake feasibility studies and to estimate the technical and economic viability of the project; and
- construct, renovate or expand mining and processing facilities.

Once gold mineralisation is discovered it can take several years to determine whether Ore Reserves exist. During this time the economic feasibility of production may change owing to fluctuations in factors that affect revenue, as well as cash and other operating costs.

From time-to-time, the Company evaluates the acquisition of Ore Reserves, development properties and operating mines, either as stand-alone assets or as part of companies. Its decisions to acquire these properties have historically been based on a variety of factors including historical operating results, estimates of and assumptions regarding the extent of Ore Reserves, cash and other operating costs, gold prices and projected economic returns and evaluations of existing or potential liabilities associated with the property and its operations and how these may change in the future. Other than historical operating results, all of these parameters are uncertain and have an impact upon revenue, cash and other operating issues, as well as the uncertainties related to the process used to estimate Ore Reserves. In addition, there is intense competition for the acquisition of attractive mining properties.

As a result of these uncertainties, the exploration programmes and acquisitions engaged in by the Company may not result in the expansion or replacement of the current production with new Ore Reserves or operations. This could adversely affect its results of operations and its financial condition.

Development risks

The Company's profitability depends, in part, on the actual economic returns and the actual costs of developing mines, which may differ significantly from its current estimates. The development of its mining projects may be subject to unexpected problems and delays.

The Company's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies estimate the expected or anticipated project economic returns. These estimates are based on assumptions regarding:

- future gold, uranium and other metal prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold, uranium and other metals from the ore;
- anticipated capital expenditure and cash operating costs; and
- the required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are determined particularly by the costs of the commodity inputs, including the cost of fuel, chemical reagents, explosives, tyres and steel consumed in mining activities and credits from by-products. There are a number of uncertainties inherent in the development and construction of an extension to an existing mine, or in the development and construction of any new mine. In addition to those discussed above these uncertainties include:

- timing and cost, which can be considerable, of the construction of mining and processing facilities;
- availability and cost of skilled labour, power, water and transportation facilities;
- availability and cost of appropriate smelting and refining arrangements;
- need to obtain necessary environmental and other governmental permits and the timing of those permits; and
- the availability of funds to finance construction and development activities in the longer term.

The costs, timing and complexities of mine development and construction can increase because of the remote location of many mining properties. New mining operations could experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production could occur. Finally, operating cost and capital expenditure estimates could fluctuate considerably as a result of changes in the prices of commodities consumed in the construction and operation of mining projects. Accordingly, the Company's future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new production sites or facilities may be less profitable than currently anticipated or may not be profitable at all.

Ore reserves estimation risks

There are numerous uncertainties inherent in Ore Reserves estimation and assumptions that are valid at the time of estimation may change significantly with new information. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may result in the reserves being restated. Those changes could impact depreciation and amortisation rates, asset-carrying values, and provisions for closedown, restoration and environmental clean-up costs.

The Company undertakes annual revisions to its Mineral Resources and Ore Reserves estimates based upon actual exploration and production results, depletion, new information on geology and fluctuations in production, operating and other costs and economic parameters such as prevailing and forecasted gold and other by-product prices and exchange rates. Mineral Resources and Ore Reserves estimates are not precise calculations and are dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. These factors may result in reductions in its Ore Reserves estimates, which could adversely affect the life-of-mine plans and consequently the total value of the Company's mining asset base and, as a result, have an adverse effect upon the market price of the shares.

Production or mining industry risks

Gold mining is susceptible to numerous events that may have an adverse impact on a gold mining business, its ability to produce gold and to meet its production targets. These events include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;

- underground fires;
- labour disputes;
- activities of illegal or artisanal miners;
- electrical power interruptions;
- encountering unexpected geological formations;
- unanticipated ground and water conditions;
- unanticipated increases in gold lock-up and inventory levels at the Company's heap-leach operations;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

Seismic activity is of particular concern to the gold mining industry in South Africa mainly because of the extent and depth of mining. Despite the implementation of technology and modifications to mine layouts and support technology with a view to minimising the incidence and impact of seismic activity, seismic events have and could cause the death of, or personal injury to, miners and other employees. Seismic activity may also cause the loss of mining equipment, damage to, or destruction of, mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities both within South Africa and elsewhere where seismic activity may be a factor. As a result, these events may have a material adverse effect on the Company's operational results and its financial condition.

Mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.

As a consequence of public concern about the perceived ill effects of economic globalisation, business generally, and in particular large multinational corporations such as the Company, face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders – including employees, communities surrounding operations and the countries in which they operate – benefit, and will continue to benefit from these commercial activities, which are also expected to minimise or eliminate any damage to the interests of those stakeholders. Such pressures tend to be applied most strongly against companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of these pressures include reputational damage, legal suits and social spending obligations. All of these factors could have a material adverse effect on the Company's results of operations and its financial condition.

Mining companies are subject to extensive health, safety and environmental laws and regulations.

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and health of employees.

In South Africa in particular, recent fatalities in the mining industry have caused the government to introduce compulsory shutdown of operations to enable investigations into the cause of the accident.

Should compliance with new standards require a material increase in expenditure, the Company's results of operations and its financial condition could be adversely affected.

The South African Department of Minerals and Energy has embarked on an audit strategy with the primary aim of helping mines to develop programmes to improve health and safety. Audits have been conducted and a number of working place compliance stoppages have occurred. These instances have had a short-term adverse impact on gold production. Future stoppages could have a similar negative impact on production.

Mining companies are also subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on producers' ability to conduct their operations. The cost of the Company's compliance with environmental laws and regulations has been, and is expected to continue to be, significant.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. If the Company's environmental compliance obligations alter as a result of changes in laws and regulations, or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions arise at its operations, its expenses and provisions would increase. If material, these expenses and provisions could adversely affect the Company's results and financial condition.

Mining companies are required to close their operations and rehabilitate the lands that they mine in accordance with environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse effect on the Company's financial condition.

Costs associated with rehabilitating land disturbed by the mining processes and addressing the environmental, health and community issues are estimated and financial provision made based upon information available currently. Estimates may however be insufficient and further environmental issues may be identified at any stage. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the Company's asset values, earnings and cash flows.

The Company's operations result in the emission of greenhouse gases such as carbon dioxide and methane. Currently a number of legislative and regulatory measures to address greenhouse gas emissions, including the Kyoto Protocol, are in various phases of discussion or implementation. Such measures could result in increased costs for the Company to: (i) operate and maintain its mines, (ii) install new emission controls, and (iii) administer and manage any greenhouse gas emissions programme.

Risks related to the Company's operations

The Company's level of indebtedness could adversely affect its business.

The Company faces many risks related to its operations that may affect its cash flows and overall profitability.

As at 31 December 2008, the Company had gross borrowings of approximately U.S.\$1.9 billion. This level of indebtedness could have adverse effects on its flexibility to do business. For example, the Company may be required to utilise a large portion of its cash flow to pay the principal and interest on its debt which will reduce the amount of funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions in the longer term. In addition, under the terms of its borrowing facilities from its banks, the Company is obliged to meet certain financial and other covenants. The Company's ability to continue to meet these covenants will depend upon its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond its control.

The Company's level of indebtedness may make it vulnerable to economic cycle downturns, which are beyond its control, because during such downturns the Company cannot be certain that its future cash flows will be sufficient to allow it to pay principal and interest on its debt and also to meet its other obligations.

In the longer term should the cash flow from operations be insufficient, the Company could breach its financial and other covenants and may be required to refinance all or part of its existing debt, use existing cash balances, issue additional equity or sell assets. The Company cannot be sure that it will be able to do so on commercially reasonable terms, if at all.

On 20 November 2008, the Company entered into the U.S.\$1 billion 2008 Term Facility with Standard Chartered Bank to refinance its U.S.\$1 billion convertible bond. This 2008 Term facility is for an initial one-year period from the date of the first drawdown in February 2009 and is extendable, if required, at the option of the Company until 30 November 2010. Amounts drawn under the 2008 Term Facility currently bear an interest margin of 4.25 percent.

The Company's interest expense will increase substantially as a result of the higher interest rates and fees associated with the 2008 Term Facility. Based on an assumed cost of funds of 100 basis points and assuming that the 2008 Term Facility is fully drawn, the effective borrowing cost (including fees and applicable margin) on the 2008 Term Facility is estimated at approximately 10 percent per annum. The actual interest expense in 2009 will depend upon the lenders' actual costs of funds and prevailing LIBOR rates and will be partially mitigated by the intended application of the proceeds from the sale of the Company's interest in the Boddington project to repay all or a portion of the 2008 Term Facility.

Amounts outstanding under the 2008 Term Facility may be prepaid at any time prior to the maturity date. The Company intends to refinance the 2008 Term Facility through one or more of the following: the proceeds from the sale of the Company's interest in the Boddington project and other asset sales, long-term debt financing and/or the issuance of an equity-linked instrument. The nature and the timing of the refinancing of the 2008 Term Facility will depend upon market conditions. The Company cannot be sure that it will be able to finance the 2008 Term Facility on commercially reasonable terms, if at all.

If the Company does not complete the sale of its interest in the Boddington Gold Mine then it may have less cash available, including to repay amounts outstanding under the 2008 Term Facility.

The sale of the Company's interest in the Boddington Gold Mine is subject to the fulfilment of all conditions precedent on or prior to 30 June 2009. At the date of this document all but one of the conditions precedent to the transaction have been fulfilled. If the last condition precedent is not fulfilled to the satisfaction of the Company, and the Company and Newmont Mining Corporation are unable to agree on an acceptable resolution, the transaction may not complete. In that event, the Company will not receive the approximately U.S.\$1.1 billion transaction consideration and will remain responsible for its share of the Boddington project's capital expenditures. This will reduce the cash available to the Company, including to repay amounts outstanding under the 2008 Term Facility. Nevertheless, in the event that the sale of the Boddington Gold Mine fails to complete the Company will continue to have sufficient working capital for the Company's present requirements, that is, for at least the 12 months following the date of this Prospectus.

The Company uses gold hedging instruments and has entered into long-term sales contracts, which may prevent it from realising potential gains resulting from subsequent commodity price increases in the future. The Company's reported financial condition could be adversely affected as a result of the need to fair value all of its hedge contracts or if its hedge counterparts exercise early termination options under certain of its hedge contracts.

The Company has used gold hedging instruments to protect and fix the selling price of some of its anticipated production. The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001, the Company has been reducing its hedge commitments through hedge buy-backs (limited to non-hedge derivatives), deliveries into contracts and restructuring in order to provide greater participation in a rising gold price

environment. As a result of these measures, the Company has, and expects to continue to have, substantially less protection against declines in the market price of gold as compared with previous years, which could result in lower revenues if the price of gold declines significantly in the future.

The Company continues to use gold hedging instruments to fix the selling price of a portion of its anticipated gold production and to protect revenues against unfavourable gold price and exchange rate movements. While the use of these instruments may protect against a drop in gold prices and exchange rate movements, it will do so for only a limited period of time and only to the extent that the hedge remains in place. The use of these instruments may also prevent the Company from fully realising the positive impact on income from any subsequent favourable increase in the price of gold on the portion of production covered by the hedge and of any subsequent favourable exchange rate movements.

In 2008, the Company used part of the proceeds from the Rights Offer to undertake a major restructuring of the hedge book. This hedge restructuring resulted in hedge commitments reducing by 5.29 million ounces (or 47 percent) from 11.28 million ounces as at 31 December 2007 to 5.99 million ounces as at 31 December 2008. Although this hedge restructuring has significantly reduced the exposure to the hedge book, a rising gold price may result in a gap between the spot price and the Company's received price of gold for ounces still hedged, and this may continue as the Company closes out its existing hedge positions by delivering into contracts.

A significant number of the Company's forward sales contracts are not treated as derivatives and fair valued on the financial statements as they fall under the normal purchase sales exemption. Should the Company fail to settle these contracts by physical delivery, then it may be required to account for the fair value of a portion, or potentially all of, the existing contracts in the financial statements. This could adversely affect the Company's reported financial condition.

As the global financial crisis continues, some of the Company's hedge counterparts may either be unable to perform their obligations under the applicable derivative instrument or in certain cases elect to terminate their contracts early in 2010, which may result in the company being called upon to immediately meet any obligation under the hedge contracts with such hedge counterparts. If exercised, the early termination options under certain of the Company's hedging contracts could adversely affect the Company's financial position through an acceleration of potentially material cash outflows associated with the early closure of these hedging contracts and the accounting for these settlements in the income statement.

Power stoppages, fluctuations and energy cost increases could adversely affect the Company's results of operations and its financial condition.

In South Africa, the Company's mining operations are dependent upon electrical power generated by the state utility, Eskom. As a result of an increase in demand exceeding available generating capacity, Eskom warned that South Africa could face disruptions in electrical power supply. At the start of 2008, as a result of substantial unplanned maintenance at Eskom's power stations, as well as higher than usual seasonal rainfall adversely impacting Eskom's coal stockpiles, Eskom's generating capacity was severely impaired. As a result, the incidence of power outages increased substantially to the point that, in January 2008, Eskom warned that it could no longer guarantee the availability of its supply of electrical power to the South African mining industry. Consequently, the Company, along with other mining companies with South African operations, was forced temporarily to suspend mining operations at its South African mines. Following meetings between industry-wide representatives, including the Company, and Eskom, agreement was reached whereby mines were able to resume their power consumption to 90 percent of average capacity in return for Eskom guaranteeing a more normal power supply, including undertakings to more reliably warn companies when power outages may occur. Mining operations resumed later in January 2008 at the Company's mines, and since then, power supply to the South African operations has been at 90 percent of average capacity.

The Company cannot give assurance that power supply to its South African operations will not experience future interruptions as the national grid system in South Africa continues to face emergency failure conditions. In the third quarter of 2008, Eskom applied for a tariff review and the National Energy

Regulator of South Africa ("NERSA") granted an additional 20 percent increase for the nine remaining months of the Eskom financial year (July 2008 to March 2009). In addition, it was indicated that the increase of electricity rates for the next three years could be in the order of 20-25 percent per annum. The Company understands that Eskom is compiling an application for tariff increases to NERSA for the 2009 increase. Should the power outages continue to increase, or should the Company be unable to achieve its production or cost targets due to the current constraint, any additional power outages or any power tariff increases, then its future profitability and financial condition may be adversely affected.

All of the Company's mining operations in Ghana are dependant for their electricity supply on hydro-electric power supplied by the Volta River Authority ("VRA"), an entity controlled by the government of Ghana. Most of this electrical power is hydro-generated electricity, although the Company also has access to VRA electricity supply from a recently constructed smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and during periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998, 2006 and the first half of 2007. In addition, during periods of limited electricity availability, the national power system is subject to system disturbances and voltage fluctuations, which can damage the Group's equipment. The VRA also obtains power from neighbouring Côte d'Ivoire, which has intermittently experienced some political instability and civil unrest. These factors, including increased power demand from other users in Ghana, may cause interruptions in the Company's power supply to its operations in Ghana or result in increases in the cost of power even if they do not interrupt supply. Consequently, these factors may adversely affect the Company's results of operations and its financial condition. In order to address this problem and to supplement the power generated by the VRA, the Company has, together with the other three principal gold producers in Ghana, acquired (and equally funded) an 85 megawatt, diesel-fired, power plant that could be converted to gas supply once the anticipated West African gas pipeline is developed. To further reduce the dependence on hydro-electric power, which may be impacted by low rainfall, the VRA is increasing its thermal power generation capacity by constructing a 126 megawatt thermal plant at Tema. In July 2008, the government of Ghana informed mining companies operating in the country that they would now pay an increased rate per kilowatt hour of power resulting in an increase at Obuasi from 9.2 to 15.45 U.S. cents per kilowatt hour and for Iduapriem from 9.2 to 17.81 U.S. cents per kilowatt hour. The mining companies in Ghana, including the Company, are in negotiation with the government to seek a reduction in power rates. The Company cannot give assurance that these negotiations will result in a reduction in power rates.

The Company's mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors and supplies of fuel being delivered by road. The Company's power supply has been disrupted in the past and it has suffered resulting production losses as a result of equipment failure.

Contracts for sale of uranium at fixed prices could affect the Company's operational results and financial condition.

The Company has entered into contracts for the sale of uranium produced by some of its South African operations and may therefore be prevented from realising all potential gains from an increase in uranium prices to the extent that the Group's future production is covered by such contracts. Should the Company not produce sufficient quantities of uranium to cover such contracts, it may need to procure or borrow uranium in the market to meet any shortfall which could adversely affect the Company's results of operations and its financial condition.

Foreign exchange fluctuations could have a material adverse effect on the Company's operational results and financial condition.

Gold is principally a dollar-priced commodity, and most of the Company's revenues are realised in, or linked to, dollars while production costs are largely incurred in the applicable local currency where the relevant operation is located. The weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in lower revenues and higher production costs in dollar terms. Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local currencies yields significantly higher revenues and lower

production costs in dollar terms. Exchange rate movements may have a material effect on the Company's operational results. For example, a 1 percent strengthening of the South African rand, Brazilian real, the Argentinean peso and the Australian dollar against the US dollar will result in an increase in total cash costs incurred of nearly U.S.\$3 per ounce, or 1 percent.

A small proportion of the Company's hedges are denominated in South African rands and Australian dollars, which may partially offset the effect of the US dollar's strength or weakness on the Company's profitability. In addition, due to its global operations and local foreign exchange regulations, some of the Company's funds are held in local currencies, such as the South African rand and the Australian dollar.

Inflation may have a material adverse effect on the Company's operational results.

The majority of the Company's operations are located in countries that have experienced high rates of inflation during certain periods.

Since the Company is unable to influence the market price at which it sells gold (except to the extent that it enters into forward sales and other derivative contracts), it is possible that significantly higher future inflation in the countries in which the Company operates may result in an increase in future operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect upon the Company's results of operations and its financial condition.

While none of the Company's specific operations are currently materially adversely affected by inflation, significantly higher and sustained inflation in the future, with a consequent increase in operational costs, could result in operations being discontinued or reduced or rationalised at higher cost mines.

The Company's new order mining rights in South Africa could be suspended or cancelled should the Company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

The Company's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of its mineral reserves and deposits are located in South Africa, where new order mining rights could be suspended or cancelled should the Company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

Custodianship and the issuance of South Africa's mineral and prospecting rights vest in the state pursuant to the Mineral and Petroleum Resources Development Act ("MPRDA"). Such rights, formerly regulated under the Minerals Act 50 of 1991 and common law, are now known as old order mining rights and the transitional arrangements provided in Schedule II to the MPRDA give holders of old order mining rights the opportunity to convert their old order mining rights into new order mining rights within specified timeframes.

The Department of Minerals and Energy ("DME") has published, pursuant to the MPRDA, the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the "Mining Charter"). Compliance with the Mining Charter, measured using a designated scorecard, requires that every mining company achieve 15 percent ownership by historically disadvantaged South Africans ("HDSAs") of its South African mining assets by 1 May 2009, and 26 percent ownership by 1 May 2014, and achieve participation by HDSAs in various other aspects of management referred to below. The Company has submitted two social and labour plans – one for each of its main mining regions – detailing its specific goals in these areas to the DME. The scorecard allows for a portion of "offset" against the HDSAs equity participation requirements insofar as companies have facilitated downstream, value-adding activities in respect of the products they mine. The Company carries out such downstream activities and believes these will be recognised in terms of a framework currently being devised by the South African Government.

The Company believes that it has made significant progress towards meeting the requirements of the Mining Charter, the Scorecard and its own undertakings in terms of human resource development,

employment equity, mine community and rural development, housing and living conditions, procurement and beneficiation, including the implementation of programmes to help achieve the requirement of having 40 percent of management roles being held by HDSAs by 2010, as well as the Employee Share Ownership Plan ("ESOP") as implemented at the end of 2006. The Company will incur expenses in giving further effect to the Mining Charter and the Scorecard and the implementation of the ESOP will affect the Group's results of operations.

The Company was informed on 1 August 2005 by the Director General of Minerals and Energy that its applications to convert its old order rights to new order mining rights for its West Wits and Vaal River operations, as well as its applications for new mining rights to extend its mining areas at its TauTona and Kopanang mines, had been successful. These applications relate to all of its existing operations in South Africa. The notarial agreements for the converted West Wits mining right and Block 1C11 new mining right have been executed and registered. The Company will also be applying for conversion of an old order mining right for a borrow pit at West Wits before the closing date, which is expected to occur at the end of April 2009. The notarial agreements for the bulk of the Vaal River Operations and the adjacent areas of Jonkerskraal, Weltevreden, Moab Extension Area and the new right for Edom have been executed and registered. The sole remaining notarial agreement for the Vaal River operations, Grootdraai, is pending. The Company has also applied for the conversion of the Ergo old order right in order to cede the converted right to the purchaser of Ergo.

Even where new order mining rights are obtained under the MPRDA, these rights may not be equivalent to the old order mining rights. The Company's rights that have been converted and registered do not differ significantly from the relevant old order rights. The duration of the new rights will be granted for a maximum period of 30 years, with renewals of up to 30 years each and, in the case of prospecting rights, a maximum period of five years with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions, such as non-concentration of resources, fair competition and non-exclusion of others. In addition, the new order rights will only be transferable subject to the consent of the Minister of Minerals and Energy.

The new order mining rights can be suspended or cancelled by the Minister of Minerals and Energy if, upon notice of a breach from the Minister, the entity breaching its obligations to comply with the MPRDA or the conditions of the notarial agreement fails to remedy such breach. The MPRDA also imposes additional responsibilities on mining companies relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining activities. The Company has a policy of evaluating, minimising and addressing the environmental consequences of its activities and, consistent with this policy and the MPRDA, conducts an annual review of the environmental costs and liabilities associated with the Group's South African operations in light of the new, as well as existing, environmental requirements.

The introduction of South African State royalties where a significant portion of the Company's mineral reserves and operations are located will have an adverse effect on its results of operations and its financial condition.

The Mineral and Petroleum Resources Royalty Act was promulgated by the South African Minister of Finance on 24 November 2008 and provides for the payment of a royalty according to a formula based on taxable earnings before interest and tax. It has a minimum rate of 0.5 percent and a maximum rate of 5 percent and is a tax deductible expense. It is estimated that the formula will translate to a royalty rate of between 2.5 percent and 4 percent of gross sales in terms of current pricing assumptions. The payment of royalties was scheduled to begin on 1 May 2009 but has been postponed to 1 March 2010 as announced in the minister of finance's budget speech on 11 February 2009.

Certain factors may affect the Company's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on its balance sheet.

The Company reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The Company values

individual mining assets at the lowest level for which identifiable cash flows are identifiable as being independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, the Company prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

If any of these uncertainties occur either alone or in combination, it could require management to recognise an impairment, which could adversely affect the Company's financial condition. For example, in the fourth quarter of 2008, the Company recorded exceptional asset impairment charges of U.S.\$1.25 billion (net of tax) in relation to certain former assets of Ashanti (comprising Obuasi, Geita and Iduapriem) and certain other investments and assets.

Diversity in interpretation and application of accounting literature in the mining industry may impact the Company's reported financial results.

The mining industry has limited industry specific accounting literature. As a result, diversity exists in the interpretation and application of accounting literature to mining specific issues. For example, the Company capitalises the drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proved and probable reserves at a development stage or production stage mine, whereas some companies expense such costs. As and when diversity in interpretation and application is addressed, it may impact the Company's reported results should the adopted interpretation differ from the position followed by the Company.

The Company's mineral reserves, deposits and mining operations are located in countries that face political, economic and/or security risks.

Some of the Company's mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where the Company operates, the formulation or implementation of government policies may be unpredictable on certain issues including regulations which impact on its operations and changes in laws relating to issues such as mineral rights and asset ownership, taxation, royalties, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings.

Any existing and new mining and exploration operations and projects the Company carries out in these countries are, and will be subject to, various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social/community relations and other matters.

If, in one or more of these countries, the Company was not able to obtain or maintain necessary permits, authorisations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws and regimes, or the governing political authorities change materially, which could result in changes to such laws and regimes, its results of operations and its financial condition could be adversely affected.

Certain of the countries in which the Company has mineral deposits or mining or exploration operations, including the Democratic Republic of Congo ("DRC") and Colombia, have in the past experienced and in certain cases continue to experience, a difficult security environment as well as political instability. In particular, various illegal groups active in regions in which the Company is present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on the Company's operations in such regions. In the event that continued operations in these countries compromise the Company's security or business principles, it may withdraw from these countries on a temporary or permanent basis, which in turn, could have an adverse impact on its results of operations and its financial condition.

In 2007, the government of the DRC announced an industry-wide review of all mining concessions and related agreements, including the agreements related to the ownership and operation of the Company's concession in the DRC. As a result of this review, which has now been completed, the area of the Company's concession in north-eastern DRC has been reduced from over 9,000 square kilometres to 6,100 square kilometres (and will be further reduced over a period of three years by 10 percent per annum for a maximum further reduction to 4,270 square kilometres) and certain of the payments payable by the Company related to exploitation permits and surface rights under its concession have been increased. The Company does not believe that these reductions in the area of the Company's concession in the DRC and increases in payments payable by the Company related to exploitation permits and surface rights under its concession will have a material adverse effect on the Company's results of operations or its financial condition.

In addition, in December 2008, the National Council for Democracy and Development ("CNDD") seized power in Guinea after the death of the country's long-standing president, Lasana Conte. Moussa Dadis Camara, president of the CNDD, announced on 27 December 2008 the creation of a committee to examine and revise all existing mining agreements in Guinea. The committee's review process has not yet commenced and the Company is currently unable to predict the outcome of the committee's examination. The Company cannot give assurance that this review will not result in an adverse change to the Company's operations in Guinea, including a reduction in the concession areas or an increase in Permit or royalty fees. Such changes could adversely affect the Company's results of operations and its financial condition. Pursuant to the direction of president Moussa Dadis Camara, the Company stopped production at its Siguiri mine in Guinea on 20 March 2009. After discussions with the president, the Company resumed production at its Siguiri mine in Guinea on 24 March 2009. The Company cannot give any assurance that future stoppages of this nature may not occur. Such stoppages, if prolonged, could have a material adverse effect on the Siguiri mine and, as a result, a materially adverse effect on the Company's results of operations and its financial condition.

Labour disruptions and/or increased labour costs could have an adverse effect on the Company's operating results and financial condition.

As at 31 December 2008, approximately 67 percent (2007: 77 percent) of the Company's workforce excluding contractors, or 63 percent of total workforce, was located in South Africa. Approximately 98 percent of the workforce on its South African operations is unionised, with the National Union of Mineworkers ("NUM") representing the majority of unionised workers.

The Company's employees in some South American countries and Ghana are also highly unionised. Trade unions have a significant impact on the Company's labour relations climate, as well as on social and political reforms, most notably in South Africa.

It has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. An agreement was signed with the unions in August 2007, following negotiations between NUM, United Associations of South Africa ("UASA") on behalf of some clerical and junior management staff and Solidarity (on behalf of a small number of miners) and the Chamber of Mines. A two-year deal was reached without resort to any industrial action. The next round of negotiations will take place in 2009. The Company cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms when it expires in July 2009. While the Company is not able to estimate the potential consequences if it is not able to renegotiate the two-year wage agreement on satisfactory terms, the failure to do so could have an adverse effect on the Company's results of operations and its financial condition.

Labour costs represent a substantial proportion of the Company's total operating costs, and in many operations, including South African operations, is the Company's single largest operating cost category. The two-year wage agreement will be reviewed in June 2009 in negotiation with NUM, UASA, Solidarity and the Chamber of Mines and any increases in labour costs would have an adverse impact upon the Company's results of operations and its financial condition.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of the Company's operations. It is uncertain whether labour disruptions will be used to advocate labour,

political or social goals in the future. Material labour disruptions could have an adverse effect on the Company's results of operations and its financial condition.

The use of mining contractors at certain of the Company's operations may expose it to delays or suspensions in mining activities and increases in mining costs.

Mining contractors are used at certain of the Company's mines, including Sadiola, Morila and Yatela in Mali, Siguirin in Guinea, Iduapriem in Ghana and Sunrise Dam in Australia, to mine and deliver ore to processing plants. Consequently, at these mines, the Company does not own all of the mining equipment and may face disruption of operations and incur costs and liabilities in the event that any of the mining contractors at these mines has financial difficulties, or should there be a dispute in renegotiating a mining contract, or a delay in replacing an existing contractor. Furthermore, increases in contract mining rates, in the absence of associated productivity increases, will have an adverse impact on the Company's results of operations and financial condition.

The Company competes with mining and other companies for key human resources.

The Company competes with mining and other companies on a global basis to attract and retain key human resources at all levels with appropriate technical skills and operating and managerial experience necessary to continue to operate its business. This is further exacerbated in the current environment of increased mining activity across the globe combined with the global shortage of key mining industry human resource skills, including geologists, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa where, in addition to the impacts of the global industry wide shortages, the Company is also required to achieve employment equity targets of participation by HDSAs in management and other positions.

The Company competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience. For further details, see the risk factor "The Company's new order mining rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights".

There can be no assurance that the Company will attract and retain skilled and experienced employees and, should it fail to do so or lose any of its key personnel, its business and growth prospects may be harmed and its results of operations and its financial condition could be adversely affected.

The Company faces certain risks in dealing with HIV/AIDS that may adversely affect its results of operations and financial condition.

AIDS and associated diseases remain the major health care challenge faced by the Company's South African operations. Accurate prevalence data for AIDS is not available owing to doctor-patient confidentiality. The South African workforce prevalence studies indicate that the percentage of the Company's South African workforce that may be infected by HIV may be as high as 30 percent. The Company is continuing to develop and implement various programmes aimed at helping those who have been infected with HIV and preventing new infections. Since 2001, the Company has offered a voluntary counselling and HIV testing programme for employees in South Africa. In 2002, the Company began to offer anti-retroviral therapy ("ART") to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, the Company commenced a roll-out of the treatment to all eligible employees desiring it. Approximately 5,400 employees have been registered on the wellness programme over the last three years and of these around 4,000 employees have attended the clinic in the last six months. As of 31 December 2008, approximately 1,900 employees were receiving treatment using anti-retroviral drugs.

The cost of providing rigorous outcome-focused disease management of employees with AIDS, including the provision of an anti-retroviral therapy, is on average ZAR1,300 (U.S.\$130) per employee on treatment per month. It is not yet possible to develop an accurate cost estimate of the programme in its entirety, given uncertainties such as drug prices and the ultimate rate of employee participation.

The Company does not expect the cost that it will incur related to the prevention of HIV infection and the treatment of AIDS to materially and adversely affect its results of operations. Nevertheless, it is not possible to determine with certainty the costs that the Company may incur in the future in addressing this issue, and consequently its results of operations and its financial condition could be adversely affected.

The Company faces certain risks in dealing with malaria and other tropical disease outbreaks, particularly at its operations located in Africa, which may have an adverse effect on operational results.

Malaria and other tropical diseases pose significant health risks at all of the Company's operations in Central, West and East Africa where such diseases may assume epidemic proportions because of ineffective national control programmes. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Consequently, if uncontrolled, the disease could have an adverse effect upon productivity and profitability levels of the Company's operations located in these regions.

The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect upon the results of the Company's operations and its financial condition.

The primary areas of focus in respect of occupational health within the Company's operations are noise induced hearing loss ("NIHL"), occupational lung diseases ("OLD"), which includes pulmonary tuberculosis ("TB") in silica dust exposed individuals. The Company provides occupational health services to its employees at its occupational health centres and it continues to improve preventative occupational hygiene initiatives. If the costs associated with providing such occupational health services increase, the increase could have an adverse effect on the Company's results of operations and its financial condition.

Furthermore, the South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act ("ODMWA") that provides for compensation to miners who have OLD, TB and combinations thereof, and the Compensation for Occupational Injuries and Diseases Act ("COIDA") that provides for compensation to non-miners who have OLD. COIDA provides for compensation payments to workers suffering permanent disabilities from OLD, which are classified as pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD. The capitalised value of a pension liability (in accordance with COIDA) is usually greater than that of a lump sum compensation payment (under ODMWA). In addition, under COIDA, compensation becomes payable at a lower threshold of permanent disability than under ODMWA. It is estimated that under COIDA about two to three times more of the Company's employees would be compensated as compared with those eligible for compensation under ODMWA.

If the proposed combination of COIDA and ODMWA were to occur, this could further increase the level of compensation claims the Company could be subject to and consequently could have an adverse effect on its financial condition.

Mr Thembekile Mankayi instituted a legal action against the Company in October 2006 in the High Court, Witwatersrand Local Division. Mr Mankayi claimed approximately ZAR2.6 million (approximately U.S.\$0.27 million) for damages allegedly suffered by him as a result of silicosis allegedly contracted while working on mines now owned by the Company. The case was heard and a judgment in the exception action was rendered on 26 June 2008 in favour of the Company on the basis that mine employers are insured under ODMWA and COIDA against compensable diseases, which precludes common law delictual claims by employees against employers. The plaintiff has been granted leave to appeal the judgment. If the Company is unsuccessful in defending this suit, it could be subject to numerous similar claims which could have an adverse effect on its financial condition.

In response to the effects of silicosis in labour sending communities, a number of mining companies (under the auspices of the Chamber of Mines), together with the NUM which is the largest union in the mining sector and the national and regional departments of health have embarked on a project to assist in the delivery of compensation and relief by mining companies under the ODMWA to communities that have been affected.

The costs associated with the pumping of water inflows from closed mines adjacent to the Company's operations could have an adverse effect upon operational results.

Certain of the Company's mining operations are located adjacent to the mining operations of other mining companies. The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at the adjacent closed mine are suspended. Such ingress could have an adverse effect upon any one of the Company's mining operations as a result of property damage, disruption to operations and additional pumping costs.

In 2005, the Company commenced a legal action in South Africa, which has now been settled, after the owner of an adjacent mine put the company owning the adjacent mining operation into liquidation, raising questions about its and other companies' willingness to meet their water pumping obligations.

As part of the settlement arrangement, the mining companies have formed and registered a not-for-profit company, known as the Margaret Water Company, to conduct water pumping activities from the highest lying shaft which is currently owned by Stilfontein Gold Mining Company (in liquidation). The three mining companies will contribute equally to the cost of establishing and initially running the Margaret Water Company.

The occurrence of events for which the Company is not insured or for which its insurance is inadequate may adversely affect its cash flows and overall profitability.

The Company maintains insurance to protect only against catastrophic events which could have a significant adverse effect on its operations and profitability. This insurance is maintained in amounts that the Company believes to be reasonable depending upon the circumstances surrounding each identified risk. However, the Company's insurance does not cover all potential risks associated with its business. In addition, the Company may elect not to insure certain risks, due to the high premiums associated with insuring those risks or for various other reasons, including an assessment that the risks are remote.

Furthermore, the Company may not be able to obtain insurance coverage at acceptable premiums. The Company has a captive insurance company, namely AGRe Insurance Company Limited, which participates at various levels in certain of the insurances maintained by the Company. The occurrence of events for which it is not insured may adversely affect the Company's cash flows and overall profitability and its financial condition.

The Company does not have management control over two significant joint venture projects. If these projects are not managed effectively, the Company's investment could be adversely affected or its reputation could be harmed.

The Company's joint ventures at Morila in Mali and Boddington in Western Australia are managed by its joint venture partners. While the Company may provide operational advice to its joint venture partners, it cannot ensure that these projects are operated in compliance with the standards that it applies in its other operations. If these joint ventures are not managed effectively, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, the Company's investment in the relevant project could be adversely affected. In addition, negative publicity associated with ineffective management, particularly relating to any resulting accidents or environmental incidents, could harm the Company's reputation. The Company expects to complete the sale of its interest in the Boddington project to its joint venture partner in the second quarter of 2009 but currently has no plans to dispose of its interest in the Morila mine.

The Company may experience unforeseen difficulties, delays or costs in successfully implementing its business strategy, and its strategy may not result in the anticipated benefits.

The successful implementation of the Company's business strategy depends upon a number of factors, including factors that are outside its control. For example, the successful management of costs will depend upon prevailing market prices for input costs and the ability to grow the business will depend upon the availability of attractive merger and acquisition opportunities as well as the successful implementation of the Company's existing and proposed project development initiatives and continued exploration success, all of which are subject to the relevant mining and company specific risks as outlined in this risk section. The Company cannot give assurance that unforeseen difficulties, delays or costs will not adversely affect the successful implementation of its business strategy, or that its strategy will result in the anticipated benefits.

Risks related to the shares

Sales of large quantities of shares, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of shares could fall if large quantities of the Company's shares are sold in the public market, or there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of the shares may decide to sell them at any time. The market price of shares could also fall as a result of any future offerings it makes of shares, or securities exchangeable or exercisable for its shares, or the perception in the market place that these sales might occur. The Company may make such offerings, share rights or similar securities, at any time or from time to time in the future.

Fluctuations in the exchange rate of different currencies may reduce the market value of the Company's shares, as well as the market value of any dividends or distributions paid by the Company.

The Company has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the U.S. dollar value of these dividends. This may reduce the value of the shares to investors.

The Company's memorandum and articles of association allows for dividends and distributions to be declared in any currency at the discretion of the Company's board of directors, or its shareholders at a general meeting. If and to the extent that the Company opts to declare dividends and distributions in British pounds, exchange rate movements will not affect the British pounds value of any dividends or distributions, nevertheless, the value of any dividend or distribution in U.S. dollars, Australian dollars, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and distributions are declared in South African rands, exchange rate movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and U.S. dollar value of these dividends and distributions. Furthermore, the market value of the shares as expressed in Australian dollars, British pounds, Ghanaian cedis, U.S. dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

The recently announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by the Company's shareholders.

On 21 February 2007, the South African Government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. This proposal is expected to be implemented in 2010. Although this may reduce the tax payable by the Company's South African operations thereby increasing distributable earnings, the withholding tax will generally reduce the amount of dividends or other distributions received by the Company shareholders.

DETAILS OF RIGHTS OFFER

On 23 May 2008, the Company announced that it would proceed, subject to certain conditions, with the Rights Offer. The Rights Offer was completed on 11 July 2008. In connection with the Rights Offer, the Company issued a total of 69,470,442 New Shares, in the form of ordinary shares and received approximate net proceeds, after deducting the underwriters' commission and other expenses, of ZAR13.477 billion (U.S.\$1.7 billion). The Rights Offer was fully subscribed.

The principal purpose of the Rights Offer was to provide the Company with additional financial resources to improve its financial flexibility. In particular, the net proceeds from the Rights Offer have and will continue to allow the Company to both significantly restructure and reduce its existing gold hedging position, which has adversely affected its financial performance in recent years, while also being able to continue to fund its principal development projects and exploration growth initiatives.

The Rights Offer outside of the United States was conducted through the JSE pursuant to the JSE Circular. Further details on the purpose of the Rights Offer and use of proceeds can be found at pages 16 to 19 of the JSE Circular. Since the completion of the Rights Offer, the Company has used approximately U.S.\$1,105 million of the net proceeds to restructure and reduce its gold hedging position and the balance to fund the principal development projects at its operations and other exploration growth initiatives.

Further details of the particulars of the Rights Offer can be found at pages 19 to 25 of the JSE Circular.

Further details of the costs and expenses of the Rights Offer can be found at page 59 of the JSE Circular.

Further details of the underwriting arrangements used for the Rights Offer can be found at pages 57 and 58 of the JSE Circular.

PRESENTATION OF INFORMATION

Incorporation by reference

The annual reports and audited financial statements of the Company for each of the years ended and as at 31 December 2006, 2007 and 2008 and the JSE Circular are available for inspection in accordance with "Documents Available for Inspection" and contain information which is relevant to this document. These documents are also available on the Company's website at www.anglogold.com.

The table below sets out the various sections of such documents which are incorporated by reference into this Prospectus so as to provide the information required under the Prospectus Rules and to ensure that the investors are aware of all information which, according to the particular nature of the Company and of New Shares, is necessary to enable them to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company. The documents which are incorporated by reference into this Prospectus may themselves contain information incorporated by reference. Any information incorporated by reference in these documents does not form part of this Prospectus.

Document	Section	Page numbers in such document
Annual Report 2006	Independent auditors' report for the year ended 31 December 2006	125
Annual Report 2006	Financial statements for the year ended 31 December 2006	148–291
		Group/Company Page(s) Reference
	(a) Balance sheet	151/265
	(b) Income statement	150/264
	(c) Group/Company statement of recognised income and expense	153/267
	(d) Cash Flow statements	152/266
	(e) Accounting policies/notes to accounts	154-263/268-291
Annual Report 2007	Independent auditors' report for the year ended 31 December 2007	149
Annual Report 2007	Financial statements for the year ended 31 December 2007	170–303
		Group/Company Page(s) Reference
	(a) Balance sheet	171/277
	(b) Income statement	170/276
	(c) Group/Company statement of recognised income and expense	173/279
	(d) Cash Flow statements	172/278

Document	Section	Page numbers in such document
	(e) Accounting policies/notes to accounts	174-275/280-303
Annual Report 2008	Independent auditors' report for the year ended 31 December 2008	179
Annual Report 2008	Financial statements for the year ended 31 December 2008	200-330
		Group/Company Page(s) Reference
	(a) Balance sheet	201/302
	(b) Income statement	200/301
	(c) Group/Company statement of recognised income and expense	203/304
	(d) Cash Flow statements	202/303
	(e) Accounting policies/notes to accounts	204-300/305-330
JSE Circular	Purpose of the Rights Offer and use of proceeds	16
JSE Circular	Particulars of the Rights Offer	19
JSE Circular	Underwriting	57
JSE Circular	Expenses and costs in relation to the Rights Offer	59

Presentation of financial information

The Company prepares audited consolidated full-year financial statements in accordance with International Financial Reporting Standards ("IFRS") and unaudited consolidated quarterly Financial Statements in accordance with IFRS requirements for interim reporting. These financial statements are distributed to shareholders and are submitted to the JSE, as well as the LSE, the ASX, Euronext Paris and Euronext Brussels, and to the U.S. Securities and Exchange Commission ("SEC") on Form 6-K. The financial information of the Company prepared in accordance with IFRS included in this Prospectus and incorporated by reference in this Prospectus does not reflect the disposal of the Company's 33.33 percent joint venture interest in the Boddington project.

Unless otherwise indicated, the financial information for the Company included in this Prospectus and incorporated by reference into this Prospectus has been extracted without material adjustment from the audited consolidated financial statements of the Company prepared in accordance with IFRS for the years ended and as at 31 December 2006, 2007 and 2008.

The financial information for the Company included in this Prospectus captioned "as restated" has been extracted without material adjustment from the restated consolidated financial statements for the year ended and as at 31 December 2007. The restated financial information reflects the change in accounting policy to provide more relevant financial data regarding incorporated joint ventures as returns from these investments are limited to dividends. The new policy of equity accounting is more representative of the income flows. The Group previously accounted for incorporated joint ventures under the proportionate consolidation method. The restated financial information has not been audited.

In this Prospectus, the Company presents the financial items "total cash costs", "total cash costs per ounce", "total production costs" and "total production costs per ounce" which have been determined using industry guidelines and practices promulgated by the Gold Institute and are non-GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net profit/(loss) for the year allocated to ordinary shareholders, income/(loss) before tax, net cash inflow/(outflow) from operating activities or any other measure of financial performance presented in accordance with IFRS. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See "Definitions".

Please note that the rounding of figures in financial information may result in computational discrepancies.

Currency

The Company presents its consolidated financial statements in both U.S. dollars and South African rands.

NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus includes "forward looking information" regarding the Company's financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements, including without limitation, those concerning the Company's strategy to reduce its gold hedging position including the extent and effect of the hedge reduction; the economic outlook for the gold mining industry; expectations regarding gold prices, production, cash costs and other operating results; growth prospects and outlook of the Company's operations, individually or in the aggregate, including the completion and commencement of the Company's commercial operations at its exploration and production projects and the completion of acquisitions and disposals, including the disposal of the Company's interest in the Boddington project; the Company's liquidity and capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward looking statements are not based on historical facts, but rather reflect the Company's current expectations concerning future results and events and generally may be identified by the use of forward looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or other similar words and phrases. Similarly, statements that describe the Company's objectives, plans or goals are or may be forward looking statements.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward looking statements. Although the Company believes that the expectations reflected in these forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

The risk factors described herein could affect the Company's future results, causing these results to differ materially from those expressed in any forward looking statements. These factors are not necessarily all of the important factors that could cause the Company's actual results to differ materially from those expressed in any forward looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. The list of risk factors is not exhaustive. When relying on forward looking statements investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates. The Company makes no representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved, and such forward looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

You should review carefully all information, including the financial statements and the notes to the financial statements incorporated by reference herein. The forward looking statements included in this Prospectus are made only as of the last practicable date and the forward looking statements in the documents incorporated by reference are made only as of the last practicable date before the filing of such documents. The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events. All subsequent written and oral forward looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statement in this section.

The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by the Listing Rules of the UKLA, the Prospectus Rules, the Disclosure and Transparency Rules and other applicable laws.

EXCHANGE RATE INFORMATION

The following table sets forth for the periods and dates indicated certain information concerning the US dollar/South African rand exchange rate expressed in rands per U.S.\$1.00. On 29 April 2009, the interbank rate between South African rands and U.S. dollars as reported by OANDA Corporation was ZAR8.8039 = U.S.\$1.00.

Year ended 31 December	High	Low	Year end	Average ⁽¹⁾
2004 ⁽²⁾	7.31	5.62	5.65	6.39
2005 ⁽²⁾	6.92	5.64	6.33	6.35
2006 ⁽²⁾	7.94	5.99	7.04	6.81
2007 ⁽²⁾	7.49	6.45	6.81	7.03
2008 ⁽²⁾	11.27	6.74	9.30	8.25
2009 ⁽³⁾	10.70	8.58	-	9.74

(1) *The average rate of exchange on the last business day of each month during the year.*

(2) *Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.*

(3) *Through 29 April 2009 based on the interbank rate as reported by OANDA Corporation.*

The exchange rate information for the last six months as reported by OANDA Corporation is set forth below.

Month	High	Low
November 2008 ⁽¹⁾	10.64	9.63
December 2008 ⁽¹⁾	10.47	9.30
January 2009 ⁽²⁾	10.26	9.35
February 2009 ⁽²⁾	10.23	9.58
March 2009 ⁽²⁾	10.54	9.45
April 2009 ⁽²⁾⁽³⁾	9.67	8.58

(1) *Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.*

(2) *Based on the interbank rate as reported by OANDA Corporation.*

(3) *Through 29 April 2009 based on the interbank rate as reported by OANDA Corporation.*

Under the terms of the Company's memorandum and articles of association, dividends and distributions may be declared at the discretion of its board of directors or shareholders at a general meeting.

According to the memorandum and articles of association of the Company, dividends that are unclaimed for three years after such dividends have been declared may be forfeited for use by the Company. However, despite the provisions of the memorandum and articles of association, all claims for unclaimed dividends will be settled by the Company, irrespective of the time that has passed since the dividends have been declared.

Dividends may be declared in any currency at the discretion of the Company's board of directors or its shareholders at a general meeting. Currently, dividends are declared in South African rands and paid in Australian dollars, South African rands, British pounds and Ghanaian cedis. Exchange rate fluctuations may therefore affect the value of the dividends received by registered shareholders and distributions paid by the relevant depository to investors holding the Company securities.

Moreover, fluctuations in the exchange rates of the British pound and the U.S. dollar may have affected and are likely to affect the U.S. dollar price of the ADSs on the NYSE and the U.S. dollar equivalents of the United Kingdom pound price of the shares on the LSE.

DIRECTORS, SECRETARY PRINCIPAL OFFICE AND ADVISERS

Directors

Mr Mark Cutifani	Executive director and chief executive officer
Mr Srinivasan Venkatakrishnan (Venkat)	Executive director, finance
Mr Russell P. Edey	Independent non-executive director and chairman
Dr Thokoana J. (James) Motlatsi	Independent non-executive director and deputy chairman
Mr Frank B. Arisman	Independent non-executive director
Mr Reginald E. Bannerman	Independent non-executive director
Mr Joseph H. Mensah	Independent non-executive director
Prof Wiseman L. Nkuhlu	Independent non-executive director
Mr Siphon Pityana	Independent non-executive director
Mr William (Bill) A. Nairn	Independent non-executive director

Secretary

Ms L Eatwell

Registered Principal office

76 Jeppe Street
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Johannesburg, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa

Legal Adviser as to English law

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Broadgate West
9 Appold Street
London EC2A 2AP
United Kingdom

Statutory Auditors

Ernst & Young Inc.
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg, 2196
South Africa

CAPITALISATION AND INDEBTEDNESS

The following table presents the Company's capitalisation and indebtedness, in accordance with IFRS, as at 28 February 2009. You should read this table together with the Company's historical consolidated financial statements, including the notes to those financial statements incorporated by reference in this Prospectus.

There has been no material change in the consolidated capitalisation and indebtedness (including in respect of contingent liabilities and guarantees) of the Company since 28 February 2009.

As at 28 February 2009	
(in U.S.\$ million)	
Unaudited	
Shareholders' equity	
Authorised share capital	
Ordinary shares	400,000,000
E-Ordinary shares	4,280,000
A redeemable preference shares	2,000,000
B redeemable preference shares	5,000,000
Issued share capital	
Ordinary shares	353,685,161
E-Ordinary shares	3,938,078
A redeemable preference shares	2,000,000
B redeemable preference shares	778,896
Share capital and premium	3,662
Actuarial losses	(34)
Other comprehensive loss	(47)
Foreign currency translation	1,076
Non-distributable reserves	14
Retained deficit	(2,779)
Total shareholders' equity	1,892
 Borrowings	
Total borrowings (including short-term portion) ⁽¹⁾	1,914
Secured borrowings	28
Unsecured borrowings	1,886
Total shareholders' equity and borrowings	3,806

Notes:

(1) *The Company has guaranteed the working capital facilities of its associate, OroAfrica, up to an amount of ZAR100 million. None of the borrowings of the Company are guaranteed by third parties. Borrowings includes Trade, other payables and deferred income.*

Acquisition Rights and Undertakings in respect of Share Capital

By virtue of an ordinary resolution passed on 11 December 2006, the shareholders of the Company approved the issue of 1,760,000 shares for the purposes of an ESOP in countries other than South Africa. If no ESOPs in countries other than South Africa are implemented prior to 31 December 2009, this approval will expire on 31 December 2009.

By virtue of an ordinary resolution passed on 6 May 2008, the shareholders of the Company authorised the directors of the Company to allot and issue convertible bonds which may be converted into a maximum of 15,384,615 shares. The authority is renewable or expires at the annual general meeting of the shareholders of the Company to be held on 15 May 2009.

At 31 December 2008, the maximum number of shares that may be allocated for the purposes of the Company share incentive scheme was 9,720,794, equivalent to 2.75 percent of the total number of shares in issue at that date.

There are currently no undertakings to increase the share capital of the Company.

SELECTED FINANCIAL INFORMATION

The selected consolidated financial information relating to the Company set forth below for the years ended and as at 31 December 2006, 2007 and 2008 should be read in conjunction with "Operating and Financial Review" on page 40 and the Company's consolidated financial statements and the notes thereto prepared in accordance with IFRS.

The audited financial information below has been extracted without material adjustment from the Company's audited consolidated financial statements prepared in accordance with IFRS and incorporated by reference into this Prospectus.

The financial information for the year ended and as at 31 December 2007 captioned "as restated" has been restated to reflect the change of the accounting policy by the Company in relation to incorporated joint ventures. Such financial information has not been audited.

	Year ended 31 December			
	2006 (audited)	2007 As reported (audited)	2007 As restated (unaudited)	2008 (audited)
	(in U.S.\$ millions, except per share amounts)			
Revenue	3,106	3,472	3,113	3,743
Income statement				
Gold income	2,964	3,280	3,002	3,619
Cost of sales	(2,282)	(2,636)	(2,458)	(2,728)
Loss on non-hedge derivatives and other commodity contracts	(239)	(780)	(792)	(297)
Gross profit/(loss)	443	(136)	(248)	594
Corporate administration and other expenses	(84)	(126)	(128)	(131)
Market development costs	(16)	(16)	(16)	(13)
Exploration costs	(61)	(120)	(117)	(126)
Other operating expenses	(18)	(20)	(20)	(6)
Operating special items	(18)	(21)	(13)	(1,538)
Operating profit/(loss)	246	(439)	(542)	(1,220)
Dividend received from other investments	-	2	2	-
Interest received	32	45	43	66
Exchange (loss)/gain	(2)	1	(1)	4
Fair value adjustment on option component of convertible bond	16	47	47	25
Finance costs and unwinding of obligations	(123)	(125)	(120)	(114)
Share of associates' (loss)/profit	(1)	(23)	35	(138)
Loss before taxation	168	(492)	(536)	(1,377)
Taxation	(180)	(145)	(101)	197

	Year ended 31 December			
	2006 (audited)	2007 As reported (audited) (in U.S.\$ millions, except per share amounts)	2007 As restated (unaudited)	2008 (audited)
Loss after taxation from continuing operations	(12)	(637)	(637)	(1,180)
Discontinued operations				
(Loss)/profit from discontinued operations	(2)	1	1	25
Loss for the year	(14)	(636)	(636)	(1,155)
<i>Allocated as follows</i>				
Equity shareholders	(44)	(668)	(668)	(1,195)
Minority interests	30	32	32	40
	(14)	(636)	(636)	(1,155)
Loss per Share (cents)				
- Basic (Continuing Operations)	(15)	(237)	(237)	(385)
- Diluted (Continuing Operations)	(15)	(237)	(237)	(385)
Dividend per Share (cents)	62	19 ⁽³⁾	45	13
Other Financial Data⁽¹⁾				
Adjusted gross profit				
Gross profit/(loss) has been adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts to arrive at adjusted gross profit:				
Gross profit/(loss)	443	(136)	(248)	594
Loss/(profit) on unrealised non-hedge derivatives and other commodity contracts	615	1,071	1,083	(978)
Adjusted gross profit	1,058	935	835	384
Headline loss				
The loss attributable to equity shareholders has been adjusted by the following to arrive at headline loss and adjusted headline earnings:				
Loss attributable to equity shareholders	(44)	(668)	(668)	(1,195)
Amortisation of goodwill	-	-	-	-
Impairment of goodwill	-	1	-	109
Net impairment of tangible assets	6	1	1	1,493
Impairment of investments	-	-	-	6

	Year ended 31 December			
	2006 (audited)	2007 As reported (audited) (in U.S.\$ millions, except per share amounts)	2007 As restated (unaudited)	2008 (audited)
Profit on disposal of assets	(54)	(7)	(7)	(55)
Profit on disposal of investment in associates	-	-	-	(2)
Taxation on items above				
- current portion	2	6	6	1
- deferred portion	8	(3)	(3)	(395)
Impairment of investment in associates	-	22	23	39
Profit on disposal of assets in associate	-	-	-	(3)
Net loss from discontinued operations	-	-	-	(1)
Net profit on disposal of discontinued operations	-	-	-	(28)
Headline loss	(82) ⁽²⁾	(648)	(648)	(30)
Loss/(gain) on unrealised non-hedge derivatives and other commodity contracts	615	1,071	1,083	(978)
Deferred tax on unrealised non-hedge derivatives and other commodity contracts	(106)	(98)	(100)	132
Fair value adjustment on option component of convertible bond	(16)	(47)	(47)	(25)
Associates' and equity joint venture's share of (gain)/loss on unrealised non-hedge derivatives and other commodity contracts	-	-	(11)	4
Deferred taxation thereon	-	-	1	-
Adjusted headline earnings	411	278	278	897
Other financial data (U.S. cents) (Loss)/Earnings per Share				
- Basic (continuing operations)	(15)	(237)	(237)	(385)
- Diluted (continuing operations)	(15)	(237)	(237)	(385)
- Headline	(30)	(230)	(230)	(9)
- Adjusted headline	151	99	99	(283)
Dividend declared per ordinary share (U.S. cents)	62	19 ⁽³⁾	45	13
Net asset value per Share ⁽⁴⁾	1,087	867	867	702
Net tangible asset value per Share ⁽⁵⁾	939	711	718	661

Notes:

(1) *The Company utilizes certain non-GAAP performance measures in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Adjusted gross profit and adjusted headline earnings are used to adjust for fair value movements on the convertible bond as well as the highly volatile marked-to-market movements on unrealized non-hedge derivatives and other commodity*

contracts which can only be measured with certainty on settlement of the contracts. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies use.

- (2) *Headline loss was restated in 2007 for the exclusion of discounted operations.*
- (3) *Dividend per Share in 2007 was restated for the actual exchange rate on the payment date.*
- (4) *Net asset value per Share is calculated as shareholders' equity divided by the number of shares in issue for all periods presented.*
- (5) *Net tangible asset per Share is calculated as shareholders' equity less goodwill divided by the number of shares in issue for all periods presented.*

	As at 31 December			2008 (audited)
	2006 (audited)	2007 As reported (audited)	2007 As restated (unaudited)	
	(in U.S.\$ millions, except per share amounts)			
Balance Sheet				
Tangible assets	6,054	6,722	6,621	4,345
Intangible assets	415	440	420	148
Other non-current assets	644	698	881	1,559
Other current assets	1,335	1,464	1,309	1,433
Cash and cash equivalents	495	496	477	575
Total assets	8,943	9,820	9,708	8,060
Shareholders' equity	2,985	2,379	2,379	2,428
Minority interests	62	63	63	83
Long-term borrowings	1,423	1,533	1,529	870
Provisions	567	671	644	545
Deferred taxation	1,103	1,051	1,042	617
Other non-current liabilities	304	175	175	84
Short-term borrowings	59	339	319	1,063
Other current liabilities	2,440	3,609	3,557	2,370
Total equity and liabilities	8,943	9,820	9,708	8,060
Shares in issue at period end	280,421,923	281,597,701	281,597,701	357,450,351
Net asset value – cents per Share	1,087	867	867	702

Year ended 31 December

	2006 (audited)	2007 As reported (audited)	2007 As restated (unaudited)	2008 (audited)
(in U.S.\$ millions, except per share amounts)				
Cash Flow Statement				
Receipts from customers	3,134	3,424	3,071	3,672
Payments to suppliers and employees	(1,853)	(2,303)	(2,088)	(3,040)
Cash utilised by discontinued operations	(1)	(2)	(2)	(1)
Dividends received from equity accounted investments	-	-	65	78
Taxation paid	(143)	(237)	(180)	(125)
Cash utilised for hedge book settlements	-	-	-	(1,113)
Net cash inflow/(outflow) from operating activities	1,137	882	866	(529)
Capital expenditure	(817)	(1,024)	(1,015)	(1,194)
Net inflows from disposal of assets, subsidiaries and other	79	2	-	153
Net cash outflow from investing activities	(738)	(1,022)	(1,015)	(1,041)
Net proceeds from share issues	507	34	34	1,668
Repayment of borrowings	(623)	(560)	(520)	(614)
Proceeds from borrowings	226	870	843	853
Dividends paid	(132)	(144)	(144)	(58)
Other financing activities	(88)	(73)	(72)	(93)
Net cash (outflow)/inflow from financing activities	(110)	127	141	1,756
Net increase/(decrease) in cash and cash equivalents	289	(13)	(8)	186
Translation	(3)	14	14	(88)
Cash and cash equivalents at beginning of the period	209	495	471	477
Cash and cash equivalents at end of period	495	496	477	575

OPERATING AND FINANCIAL REVIEW

The following operating and financial review and prospects are based on the financial information of the Company for the years ended and as at 31 December 2006, 2007 and 2008 prepared under IFRS.

The financial information for the year ended and as at 31 December 2007 in this section has been restated to reflect the change of the accounting policy by the Company in relation to incorporated joint ventures. Such financial information has not been audited.

This section should be read in conjunction with the Company's consolidated financial statements and the notes thereto prepared in accordance with IFRS incorporated by reference in this Prospectus. Please see "Presentation of Information - Presentation of financial information" as identified in this Prospectus.

Overview

For the year ended 31 December 2008, the Company had an attributable production (including joint ventures) of approximately 4.98 million ounces of gold. Headquartered in Johannesburg, South Africa, the Company has a global presence with 21 operations comprising open-pit and underground mines and surface metallurgical plants in ten countries which are supported by extensive, yet focused, exploration activities.

The Company's main product is gold. A portion of its revenue is derived from sales of silver, uranium oxide and sulphuric acid. The Company sells its products on world markets.

The Company's world-wide operations, divided into countries, are: South Africa (which encompasses seven operations), Argentina (which encompasses one operation), Australia (which encompasses two operations), Brazil (which encompasses two operations), Ghana (which encompasses two operations), Guinea (which encompasses one operation), Mali (which encompasses three operations), Namibia (which encompasses one operation), Tanzania (which encompasses one operation) and the United States of America (which encompasses one operation). Production and reserves for the year ended 31 December 2008 were derived 58 percent and 55 percent, respectively, from operations outside South Africa.

The Company's costs and expenses consist primarily of production costs, royalties and depreciation, depletion and amortisation. Production costs include labour, fuel, lubricants, power, consumable stores which include explosives, timber, other consumables and utilities. Labour is a significant component of production costs as the Company's mining operations consist mainly of deep-level underground mining methods as well as open-pit operations, both of which are labour intensive.

With operations in ten countries on four continents, the Company is exposed to a number of factors that could affect its profitability, including exchange rate fluctuations, inflation and other risks relating to these specific countries. (See section entitled "Risk Factors" of this Prospectus).

Key factors affecting results

Gold prices

The Company's operating results are directly related to the price of gold which can fluctuate widely and is affected by numerous factors beyond its control, including jewellery demand, expectations with respect to the rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales by central banks and the International Monetary Fund ("IMF"), forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions. In addition, the price of gold sometimes is subject to rapid short-term changes because of speculative activities.

The current demand for and supply of gold may affect gold prices, but not necessarily in the same manner as current supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated

gold held by governments, public and private financial institutions, industrial organisations and private individuals.

As the amounts produced in any single year constitute a very small portion of the total potential supply of gold, normal variations in current production do not necessarily have a significant impact on the supply of gold or on its price. If revenue from gold sales falls for a substantial period below the Company's cost of production at its operations, the Company could determine that it is not economically feasible to continue commercial production at any or all of its operations or to continue the development of some or all of its projects.

On 29 April 2009, the afternoon fixing price for gold on the London Bullion Market was U.S.\$898.25 per ounce.

Product costs

The Company's costs and expenses consist primarily of production costs, royalties and depreciation, depletion and amortisation. Production costs are incurred on labour, fuel, lubricants, power, consumable stores (which include explosives, timber and other consumables) and utilities incurred in the production of gold. The Company has estimated that for each U.S.\$1 per barrel rise in the oil price, the average cash costs of all its operations increases by about U.S.\$0.50 per ounce with the cash costs of certain of its mines, which are more dependent on fuel, being more sensitive to changes in the price of oil. Labour is a significant component of production costs as the Company's mining operations consist mainly of deep-level underground mining methods as well as open-pit operations, both of which are Labour-intensive.

Impairments

In conducting mining operations, the Company recognises the inherent risks and uncertainties of the industry, and the wasting nature of assets. Recoverability of capitalised amounts is reviewed on a regular basis. In 2008, the Company incurred an impairment charge of U.S.\$1,608 million related primarily to the former Ashanti mines in Ghana and Tanzania. See "- Financial performance in 2008 compared with 2007 (restated) - Operating special items".

Effect of exchange rate fluctuations

Currently, a significant portion of the Company's revenues, excluding the effect of realised non-hedge derivatives, are generated in South Africa, and to a lesser extent in Brazil, Argentina and Australia, and most of its production costs, therefore, are denominated in local currencies, such as the South African rand, the Brazilian real, the Argentinean peso and the Australian dollar. In 2008, the Company derived 62 percent (59 percent including joint venture arrangements) of its revenues from these countries and incurred 60 percent (56 percent including joint venture arrangements) of its operating costs in these countries. A 1 percent strengthening of these local currencies against the U.S. dollar will result in an increase of total cash costs incurred of nearly U.S.\$3 per ounce, or 1 percent. As the price of gold is denominated in U.S. dollars and the Company realises the majority of its revenues in U.S. dollars, devaluation of these local currencies against the U.S. dollar improves the Company's profitability in the short term. Conversely, strengthening of these local currencies against the U.S. dollar adversely impacts the Company's profitability in the short term. Based upon average rates during the respective years, the rand weakened and the Brazilian real strengthened by approximately 17 percent and 6 percent, respectively, against the U.S. dollar in 2008 compared to 2007. The Argentinean peso, based on average rates during the respective years weakened by around 1 percent against the U.S. dollar in 2008 compared to 2007. The Australian dollar, based on the average rates during the respective years, remained relatively constant against the U.S. dollar in 2008 compared to 2007.

To fund local operations, the Company holds funds in local currencies. The U.S. dollar value of these currencies may be affected by exchange rate fluctuations and, as a result, the Company's cash and cash equivalents reported in U.S. dollars could change. At 31 December 2008, approximately 46 percent of the Company's cash and cash equivalents were held in local currencies.

Certain exchange rate controls are currently in force in South Africa. Although the exchange rate of the rand is primarily market determined, its value at any time may not be considered a true reflection of the underlying value of the rand while exchange controls exist. The government has indicated its intention to lift exchange controls over time. As exchange controls are relaxed, rand exchange rates will be more closely tied to market forces. It is not possible to predict whether or when this will occur or the future value of the rand.

Effect of inflation

The mining industry continues to experience price inflation for many commodities and consumables used in the production of gold which lead to higher production costs reported by many gold producers.

The Company's operations have not been materially adversely affected by inflation in recent years given that it has benefited from a sustained period of rising gold prices. However, the Company is unable to control the prices at which it sells its gold (except to the limited extent that it utilises commodity instruments) and it is possible, therefore, that if there is to be significant inflation in South Africa, and to a lesser extent in Brazil, Argentina and Australia, without a concurrent devaluation of the local currency or an increase in the price of gold, there could be a material adverse effect upon the Company's results and financial condition.

The percentage change in the rand/U.S. dollar exchange rate, based upon average rates during the respective years, and the local annual inflation rate, as measured by the South African Producer Price Index ("PPI"), are set out in the table below:

Year ended 31 December	2006 percent	2007 percent	2008 percent
The average South African rand/U.S.\$ exchange rate weakened by:	6.3	3.8	17.1
PPI (inflation rate) increase	7.7	10.0	14.2
Net effect	1.4	6.2	(3.9)

Effect of commodity instruments

The Company has utilised commodity instruments to protect the selling price of some of its anticipated production. The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001, the Company has been reducing its hedge commitments through hedge buy-backs (limited to non-hedge derivatives), deliveries into contracts and restructurings in order to provide greater participation in a rising gold price environment, the effect of which may be that only limited price protection is available at lower gold prices. As a result, the Company has reduced its hedge commitments by 5.29 million ounces (or 47 percent) from 11.28 million ounces as at 31 December 2007 to 5.99 million ounces as at 31 December 2008.

Acquisitions and disposals

The global gold mining industry has experienced active consolidation and rationalisation activities in recent years. Accordingly, the Company has been, and expects to continue to be, involved in a number of acquisitions and disposals as part of this global trend and to identify value-adding business combination and acquisition opportunities.

For a description of acquisitions and disposals by the Company since 1 January 2008. See "Schedule A - History and Development of the Company".

South African political, economic and other factors

The Company is domiciled in South Africa, with a number of operations in South Africa. As a result, the Company is subject to various economic, fiscal, monetary and political factors that affect South African companies generally.

South African companies are subject to exchange control regulations. Governmental officials have from time to time stated their intentions to lift South Africa's exchange control regulations when economic conditions permit such action. From 1998, certain aspects of exchange controls for financial institutions and individuals have been incrementally relaxed. It is, however, impossible to predict whether or when the South African government will remove exchange controls in their entirety. South African companies remain subject to restrictions on their ability to export and deploy capital outside of the Southern African Common Monetary Area, unless dispensation has been granted by the South African Reserve Bank.

On 1 May 2004, the MPRDA came into effect and operation. The MPRDA vests custodianship of South Africa's mineral rights in the State. The State issues prospecting rights or mining rights to applicants. The former common law prospecting, mining and mineral rights are now known as older order mining rights and the transitional arrangements provided in the MPRDA give holders of such old order mining rights the opportunity to convert their old order mining rights into new order mining rights. Applicants have five years from 1 May 2004, in which to apply to convert old order mining rights into new order mining rights. In August 2005, the Director General of Minerals and Energy notified that the Company's application for new order mineral rights had been granted.

The Mineral and Petroleum Resources Royalty Act was promulgated by the South African Minister of Finance on 24 November 2008 and provides for the payment of a royalty according to a formula based on taxable earnings before interest and tax. It has a minimum rate of 0.5 percent and a maximum rate of 5 percent and is a tax deductible expense. It is estimated that the formula will translate to a royalty rate of between 2.5 percent and 4 percent of gross sales in terms of current pricing assumptions. The payment of royalties was scheduled to begin on 1 May 2009 but has been postponed to 1 March 2010 as announced in the minister of finance's budget speech on 11 February 2009.

Comparison of operating performance in 2006, 2007 and 2008

The following table presents operating data for the Company for the three-year period ended 31 December 2008:

	Year ended 31 December		
	2006	2007	2008
Gold production (thousand ounces)	5,635	5,477	4,982
Total cash costs (U.S.\$/oz)	308	357	444
Total production costs (U.S.\$/oz)	414	476	567
Capital expenditure (million U.S. dollars)	817	1,059	1,201

Gold production

For the year ended 31 December 2008, the Company had an attributable production of approximately 4.98 million ounces (including joint ventures) of gold. The Company's total gold production decreased by 495,000 ounces, or 9 percent, to 4,982,000 ounces from 5,477,000 ounces produced in 2007.

In South Africa, gold production decreased by 10 percent from 2,328,000 ounces produced in 2007 to 2,099,000 ounces produced in 2008. This decrease was primarily a result of reduced volumes mined at the South African operations owing to lower grades, safety related stoppages especially related to increased seismicity, and the interruption to the power supply during the first quarter of 2008, which was partially offset by record production at Mponeng and Moab Khotsong. Gold production in Argentina decreased by 25 percent from 204,000 ounces in 2007 to 154,000 ounces in 2008 due to poor grades and intermittent plant breakdowns. Gold production in Australia decreased by 28 percent from 600,000 ounces in 2007 to 433,000 ounces in 2008, which was in line with plan as the high-grade pit depleted.

Gold production in Mali decreased by 7 percent from 441,000 ounces in 2007 to 409,000 ounces in 2008 due to a decrease in head grades at Yatela and changes to the geological model at Morila. Gold production in Namibia decreased by 15 percent from 80,000 ounces in 2007 to 68,000 ounces in 2008 due to a decrease in tons broken for the year. Gold production in Tanzania decreased by 19 percent from 327,000 ounces in 2007 to 264,000 ounces in 2008 due to plant unavailability and delays in accessing the higher grades. Gold production in the United States decreased by 9 percent from 282,000 ounces in 2007 to 258,000 ounces in 2008 due to the slow percolation in the gold-bearing-leach in the leach pad as a result of the greater distance over which the gold-bearing-leach solution had to be transported from the higher stacked ore to the leach-pad liner. This decline was compounded by a lack of alkalinity at depth that was identified from the 2008 pad drilling programme. This deficiency caused solubilised gold to precipitate at depth.

The decrease in gold produced during 2008 at most mines was partially offset by a 6 percent increase in gold production in Ghana from 527,000 ounces in 2007 to 557,000 ounces in 2008, as a result of crushed tons increasing significantly at Iduapriem. Gold production in Guinea increased by 19 percent from 280,000 ounces in 2007 to 333,000 ounces in 2008 due to improved throughput. The Carbon-in-pulp ("CIP") plant performed consistently well throughout the year, with availability of 93 percent, the processing of 10 million tons aided by increased throughput during the wet season and a metallurgical recovery rate of 95.8 percent for the year and the mining of higher grade pits early in the year which led to improved yields.

For the year ended 31 December 2007, the Company had an attributable production (including joint ventures) of approximately 5.48 million ounces of gold. The Company's total gold production decreased by 3 percent, or 158,000 ounces, to 5,477,000 ounces produced in 2007 from 5,635,000 ounces produced in 2006.

In South Africa, gold production decreased by 9 percent from 2,554,000 ounces produced in 2006 to 2,328,000 ounces produced in 2007, primarily due to a decline in the volume of ore mined at Great Noligwa as a result of lower face advance and lower volume mined at TauTona and Kopanang due to seismicity issues. Gold production in Argentina decreased by 5 percent from 215,000 ounces in 2006 to 204,000 ounces in 2007 due to lower grades at Cerro Vanguardia. Gold production in Ghana decreased by 11 percent from 592,000 ounces in 2006 to 527,000 ounces in 2007 due to lower volumes mined as a result of an eleven day plant shutdown and power outages at Obuasi, and the impact on production following the sale of Bibiani, which was concluded in December 2006. Gold production in Mali decreased by 18 percent from 537,000 ounces in 2006 to 441,000 ounces in 2007 due to lower recovered grades at Yatela, Morila and Sadiola.

The decrease in gold produced during 2007 at most mines was partially offset by a 29 percent increase in gold production in Australia from 465,000 ounces in 2006 to 600,000 ounces in 2007. This increase was primarily a result of accessing the high-grade ore in the open-pit operation at Sunrise Dam. Production in Brazil increased by 20 percent from 339,000 ounces in 2006 to 408,000 ounces in 2007 due to the completion of the Cuiabá mine expansion in the second half of 2006. At Siguiri in Guinea, production increased by 9 percent from 256,000 ounces in 2006 to 280,000 ounces in 2007 due to higher volumes treated with the CIP. Production at Geita in Tanzania increased 6 percent from 308,000 ounces in 2006 to 327,000 ounces in 2007 due to the impact of adverse weather conditions, the delay in the Nyankanga pit push-back and lower recovered grade in 2006 that did not recur in 2007.

Comparison of total cash costs in 2008 with 2007

Total cash costs per ounce for the year ended 31 December 2008 were U.S.\$444 per ounce, an increase of 24 percent from total cash costs per ounce of U.S.\$357 per ounce in 2007. Of the U.S.\$87 per ounce increase, U.S.\$53 per ounce was attributable to inflation, U.S.\$25 per ounce to lower grades, U.S.\$20 per ounce to volumes and a net U.S.\$11 per ounce for other variances, which were partially offset by exchange gains of U.S.\$22 per ounce.

Total cash costs per ounce at the South African operations increased by 6 percent in 2008 as compared to 2007, driven largely by reduced volumes mined, declining grades, annual wage increases, higher power tariffs and input cost inflation.

Cerro Vanguardia, the Argentinean mine, reported an increase in total cash costs per ounce of 133 percent from U.S.\$261 per ounce in 2007 to U.S.\$608 per ounce in 2008, reflecting chiefly reduced volumes mined and lower grades as well as lower gold and silver production due to periodic plant breakdowns. Additional factors affecting costs were increases in the cost of mining supplies, a function of the inflationary impact of higher commodity prices and higher maintenance costs (due to an extension on the useful life of some mine equipment), as well as an increase in workforce/contractor costs and a decrease in by-product credits resulting from lower silver sales.

The Australian mine, Sunrise Dam, reported an increase in total cash costs of 74 percent in 2008 compared to 2007. Total cash costs were impacted by significantly higher input costs, specifically for fuel and labour, during 2008.

The Brazilian mines, Brasil Mineração and Serra Grande, reported total cash costs of per ounce of U.S.\$300 per ounce in 2008 compared to U.S.\$233 per ounce in 2007 and U.S.\$294 per ounce in 2008 compared to U.S.\$263 per ounce in 2007, respectively. The 23 percent increase in total cash costs per ounce at both mines in 2008 was largely a result of the appreciation of the local currency against the U.S. dollar and higher inflation for materials, services and maintenance costs, which was partially offset by the better price received for sulphuric acid by-product at Brasil Mineração.

Obuasi in Ghana reported a U.S.\$174 per ounce increase in total cash costs to U.S.\$633 per ounce in 2008 primarily as a result of inflationary pressures resulting in substantial increases in power tariffs, contractor costs and the price of fuel and reagents in 2008, as well as higher royalty payments. Iduapriem reported a 41 percent increase in total cash costs per ounce from U.S.\$373 in 2007 to U.S.\$525 per ounce in 2008 as a result of substantial increases in power tariffs during the second half of 2008, higher royalty payments and contractor costs and a significant increase in the price of fuel and consumables.

In Mali, Yatela reported a 78 percent increase in total cash costs to U.S.\$572 per ounce in 2008 compared to U.S.\$322 per ounce in 2007. At Morila, total cash costs increased 20 percent in 2008 to U.S.\$419 per ounce compared to U.S.\$350 per ounce in 2007. The increase in total cash costs at both these mines was a result of the significantly reduced levels of production, a weakening of the U.S. dollar against the euro and higher fuel and reagent prices. At Sadiola, total cash costs decreased 4 percent from U.S.\$414 per ounce in 2007 to U.S.\$399 per ounce in 2008 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 at Sadiola.

Navachab in Namibia reported a 27 percent increase in total cash costs to U.S.\$534 per ounce in 2008 compared to U.S.\$419 per ounce in 2007 as a result of increases in the cost of labour, diesel and explosives, which was compounded by the decline in gold production at the mine.

Geita in Tanzania reported a 61 percent increase in total cash costs from U.S.\$452 per ounce in 2007 to U.S.\$728 per ounce in 2008 due to the price of oil, which affected on-site power generation and the running costs of heavy earth-moving equipment, as well as that of spares and reagents. Although a substantial increase in basic salaries was enforced, the total number of employees was reduced through natural attrition by 9 percent for the year with further consolidation of functions envisaged in the future. In addition, a fourth shift was introduced in the production arena, which had the effect of reducing overtime requirements by some 90 percent.

In North America, Cripple Creek reported a U.S.\$40 per ounce increase in total cash costs per ounce to U.S.\$309 per ounce in 2008 mainly as a result of rising commodity costs, particularly diesel fuel. A decrease in costs due to lower contractor costs was offset by increases in fuel costs as oil prices hit record levels on global markets and inflation in the general U.S. economy.

Total cash costs per ounce for the year ended 31 December 2007 were U.S.\$357 per ounce, an increase of 16 percent from total cash costs per ounce of U.S.\$308 per ounce in 2006. Of the total increase of U.S.\$49 per ounce, U.S.\$21 per ounce was due to inflation, U.S.\$20 per ounce to lower efficiencies resulting from higher treatment and maintenance costs, U.S.\$8 per ounce to decreased

by-product contribution, U.S.\$6 per ounce to lower volumes and U.S.\$5 per ounce to exchange and royalty effects. These increases were partially offset by higher grades of U.S.\$2 per ounce and other variances of U.S.\$9 per ounce.

Comparison of total cash costs in 2007 with 2006

Total cash per ounce costs for the South African operations increased by 20 percent in 2007 largely as a result of reduced volumes mined, declining grades, safety-related stoppages and wage increases.

Cerro Vanguardia, the Argentinean mine, recorded an increase in total cash costs per ounce of 16 percent from U.S.\$225 per ounce in 2006 to U.S.\$261 per ounce in 2007, mainly as a result of higher local inflation, increases in contractor and maintenance costs as well as an increase in the size of the workforce and contractor costs, which were partially offset by higher silver by-product revenue.

The Australian mine, Sunrise Dam, reported total cash costs of U.S.\$306 per ounce for 2007 compared to U.S.\$298 per ounce for 2006, a 3 percent increase. Despite cost increases in areas such as open-pit mining contractor rates per unit mined, the greater volume of ore mined and the appreciation in value of the Australian dollar, the increase in production, due primarily to the higher grade of ore mined, resulted in the increase in total cash costs.

The Brazilian mines, Brasil Mineração and Serra Grande, reported total cash costs per ounce of U.S.\$233 per ounce in 2007 compared to U.S.\$195 per ounce in 2006 and U.S.\$263 per ounce in 2007 compared to U.S.\$198 per ounce in 2006, respectively. The increase in total cash costs per ounce at both mines in 2007 was mainly attributable to higher local inflation and reduced grade recovered and the appreciation of the local currency against the U.S. dollar.

Obuasi in Ghana reported a U.S.\$64 per ounce increase in total cash costs per ounce to U.S.\$459 per ounce in 2007 as a result of reduced production and increases in prices of consumables and rates of service contracts. Iduapriem reported a 1 percent increase in total cash costs per ounce from U.S.\$368 per ounce in 2006 to U.S.\$373 per ounce in 2007 mainly due to the combined impact of the mill shutdown and increases in contract mining costs.

The operations at Siguiri, in Guinea, reported a U.S.\$65 per ounce increase in total cash costs per ounce to U.S.\$464 per ounce, mainly as result of the appreciation of the Guinean franc against the U.S. dollar, higher royalty payments linked to the higher gold price and higher fuel and labour costs.

In Mali, Yatela reported a 41 percent increase in total cash costs per ounce to U.S.\$322 per ounce in 2007 compared to U.S.\$228 per ounce in 2006. At Morila, total cash costs per ounce increased by 27 percent in 2007 to U.S.\$350 per ounce from U.S.\$275 per ounce in 2006. The increase in total cash costs per ounce at both these mines was mainly due to the decline in production, appreciation of the euro and FCFA against the dollar and higher fuel prices. At Sadiola, production declined 26 percent to 140,000 ounces; consequently, total cash costs per ounce increased 53 percent from U.S.\$270 per ounce in 2006 to U.S.\$414 per ounce in 2007.

Navachab in Namibia reported a 58 percent increase in total cash costs per ounce to U.S.\$419 per ounce as a result of an increase in the costs of labour and explosives while a grade-related decline in gold production also had a negative effect.

Geita in Tanzania reported a slight decrease in total cash costs per ounce from U.S.\$497 per ounce in 2006 to U.S.\$452 per ounce in 2007. Reduced expenditure on equipment rebuilds, contractor services and an increased level of production contributed to the containment of costs.

In North America, Cripple Creek reported a U.S.\$21 per ounce increase in total cash costs per ounce to U.S.\$269 per ounce in 2007 mainly due to higher commodity and diesel fuel prices.

Capital expenditure

Total capital expenditure during 2008 was U.S.\$1,201 million, compared to U.S.\$1,059 million in 2007, an increase of U.S.\$142 million, or 13 percent. Total project capital expenditure was just over U.S.\$650

million, of which almost U.S.\$420 million was spent at the Boddington expansion project. The other main areas of project capital expenditure spend were the Mponeng VCR below 120 Level project (U.S.\$45 million), Iduapriem U.S.\$43 million (mainly the plant expansion), AngloGold Ashanti Brasil Mineração (U.S.\$30 million) mainly at Córrego do Sítio and Lamego, TauTona U.S.\$21 million (mainly the CLR below 120 Level project) and Serra Grande U.S.\$20 million (the main project being the plant expansion).

In South Africa, capital expenditure decreased by 7 percent from U.S.\$361 million spent in 2007 to U.S.\$337 million in 2008, and was mainly on ore reserve development with the remainder mostly on projects such as Moab Khotsong phase 2 (Zaaiplaats), Mponeng VCR below 120 Level and TauTona CLR below 120 Level. Capital expenditure in Brazil increased 4 percent to U.S.\$148 million in 2008 from U.S.\$142 million in 2007 partly as a result of a plant expansion at Serra Grande as well as the Córrego do Sítio and Lamego projects. Capital expenditure in Ghana increased by 40 percent to U.S.\$166 million in 2008 from U.S.\$119 million in 2007 as a result of projects, ore reserve development and stay-in-business and maintenance capital expenditure at Obuasi and the advancement of the plant expansion at Iduapriem. Capital expenditure in Tanzania increased by 96 percent to U.S.\$53 million in 2008 from U.S.\$27 million in 2007 as a result of purchase of heavy mining equipment and exploration costs. In Australia, capital expenditure increased by 56 percent from U.S.\$281 million in 2007 to U.S.\$439 million in 2008, mainly as a result of the Boddington expansion project. At year-end, overall project progress at the Boddington expansion project was approximately 88 percent complete, with engineering and procurement activities nearing completion.

Total capital expenditure during 2007 was U.S.\$1,059 million, an increase of 30 percent compared to U.S.\$817 million in 2006. A large portion of the increased expenditure was allocated to new projects in South Africa, Brazil and the Boddington project in Australia.

In South Africa, capital expenditure increased by 15 percent from U.S.\$313 million in 2006 to U.S.\$361 million in 2007, mainly due to expansion projects at Mponeng and TauTona and ramping up at Moab Khotsong. Expenditure in Brazil decreased by 24 percent to U.S.\$142 million in 2007 from U.S.\$186 million in 2006 as a result of the Cuiabá expansion project nearing completion. In Australia, capital expenditure increased by 226 percent from U.S.\$86 million in 2006 to U.S.\$281 million in 2007, mainly as a result of the Boddington expansion project. At year-end, overall project progress at the Boddington expansion project was approximately 65 percent complete, with engineering and procurement activities nearing completion.

Financial performance in 2008 compared with 2007 (restated)

The most significant income statement events of 2008 were the reduction of the hedge book and the impairment charge of U.S.\$1,608 million. During 2008, the hedge book was reduced by 5.29 million committed ounces from 11.28 million committed ounces at the beginning of 2008 to 5.99 million committed ounces as a result of the physical settlement of maturing contracts and buy-back of non-hedge derivative contracts. These transactions, which were funded from the approximately U.S.\$1.7 billion proceeds of the rights offering completed in July 2008, have enabled the Company to significantly restructure and reduce its existing gold hedging position, which has adversely affected its financial performance in recent years. The Company had traditionally used gold hedging instruments to protect the selling price of some sales against declines in the market price of gold and the use of these instruments has prevented the Company from fully participating in the significant increases in the market price of gold in recent years.

The Company changed its policy during 2008 regarding the accounting of incorporated joint ventures from the proportionate consolidation method to the equity accounting method. Comparative data for 2007 presented below has been restated but has not been audited.

Revenues

Revenues from product sales and other income increased by 20 percent to U.S.\$3,743 million in 2008 from U.S.\$3,113 million in 2007, primarily due to an increase in gold income. The majority of product sales consisted of U.S. dollar-denominated gold sales.

Gold income

Gold income increased to U.S.\$3,619 million in 2008 from U.S.\$3,002 million in 2007, representing a 21 percent increase, primarily a result of the improved price of gold received (excluding the accelerated settlements of non-hedge derivatives), although this was offset to a certain extent by reduced production. The average spot price of gold was U.S.\$872 per ounce in 2008, 25 percent higher than U.S.\$697 per ounce, the average spot price of gold in 2007. However, the received gold price decreased by U.S.\$146 per ounce, or 23 percent, to U.S.\$485 per ounce, primarily as a result of the close out of the hedging transactions effected in the middle of 2008. Towards year-end, the price received was at a 13.5 percent discount to the average spot price as the remaining planned hedge reductions were effected.

Gold income from the South African operations increased to U.S.\$1,466 million in 2008 from U.S.\$1,399 million in 2007, primarily as a result of the increase in the gold price, partially offset by lower gold production. Gold income from the Brazilian operations increased to U.S.\$330 million in 2008 from U.S.\$285 million in 2007 mainly as a result of the higher spot gold price. Gold income from the operations in Ghana increased to U.S.\$486 million in 2008 from U.S.\$337 million in 2007 mainly as a result of the higher production and the higher spot gold price. Gold income from the operations in Guinea increased to U.S.\$334 million in 2008 from U.S.\$211 million in 2007 mainly as a result of increased production. Gold income from the operations in the United States increased to U.S.\$240 million in 2008 from U.S.\$116 million in 2007 mainly as a result of the improved spot gold price and was partly negated by the lower production.

The increase in gold income during 2008 from the above operations was partially offset by a decrease in gold income from the operations in Argentina, Australia, Mali and Namibia. Gold income from the operations in Australia decreased to U.S.\$280 million in 2008 from U.S.\$348 million in 2007 mainly as a result of lower production. Gold income from the operations in Mali decreased to U.S.\$186 million in 2008 from U.S.\$278 million in 2007 also as a result of lower production. Similarly, gold income from the operations in Argentina and Namibia decreased to U.S.\$116 million and U.S.\$39 million, respectively, in 2008 from U.S.\$140 million and U.S.\$52 million, respectively, in 2007 largely as a result of lower production.

Cost of sales

Cost of sales increased to U.S.\$2,728 million in 2008 from U.S.\$2,458 million in 2007, representing an 11 percent increase. This increase was largely attributable to a mix of currency and inflationary effects, resulting from increased mining contractor costs and higher diesel, fuel, transport and electricity prices. This was partially offset by the effects of cost-saving initiatives and the weakening of some local currencies during the latter part of 2008.

Cost of sales changes included the following:

Total cash costs increased to U.S.\$2,113 million in 2008 from U.S.\$1,836 million in 2007, equating to an increase in total cash costs per ounce from U.S.\$357 in 2007 to U.S.\$444 in 2008. This was marginally outside the forecast of U.S.\$425 to U.S.\$435 per ounce primarily due to higher inflationary trends and higher power and fuel costs. Of the U.S.\$87 per ounce increase, U.S.\$53 per ounce was attributable to inflation, U.S.\$25 per ounce to lower grades, U.S.\$20 per ounce to volumes and a net U.S.\$11 per ounce for other variances. These increases were partially offset by exchange gains of U.S.\$22 per ounce.

Retrenchment costs were U.S.\$9 million in 2008 compared with U.S.\$19 million in 2007. Costs incurred in 2008 and 2007 were as a result of a general cost-efficiency drive and staff reductions at mines in Africa.

Rehabilitation and other non-cash costs decreased by U.S.\$33 million compared with the previous year resulting in a charge of U.S.\$28 million compared to a charge of U.S.\$61 million, largely because of changes to estimates, the effect of interest rates in discounting and a reassessment of the processes to be undertaken to complete the Group's restoration obligations.

The amortisation of tangible assets at U.S.\$560 million was U.S.\$7 million lower than in 2007. This slight reduction was largely attributable to the reassessment of the useful lives of the Company's mining assets in accordance with revisions to the business plans made at the beginning of the year, and due to lower production.

Loss on non-hedge derivatives and other commodity contracts

Loss on non-hedge derivatives and other commodity contracts was U.S.\$297 million in 2008 compared to a loss of U.S.\$792 million the previous year. This loss was primarily a result of the revaluation of non-hedge derivatives resulting from changes in the prevailing spot gold price, exchange rates, interest rates and volatilities compared with the previous year as well as the loss incurred in normal purchases or normal sales with a counterparty of U.S.\$173 million.

Corporate administration and other expenses

Corporate and other administration expenses increased by U.S.\$3 million from U.S.\$128 million in 2007 to U.S.\$131 million in 2008, mainly due to an increase in labour and corporate office costs.

Market development costs

Market development costs decreased to U.S.\$13 million in 2008 from U.S.\$16 million in 2007, most of which was spent through the World Gold Council.

Exploration costs

Exploration continued around the operations in the countries in which the Group operates, namely, Australia, Ghana, Guinea, Tanzania, Mali, Namibia, South Africa and the United States. In addition, exploration activities continued to focus on new prospects in the Democratic Republic of Congo, Colombia, China, the Philippines, Russia and Australia. Total exploration costs (including equity accounted joint ventures) in 2008 was U.S.\$183 million of which U.S.\$77 million was for greenfields exploration, U.S.\$86 million for brownfields exploration and U.S.\$20 million was for feasibility studies. The increase in exploration costs of U.S.\$16 million from 2007 was primarily a result of increased expenditure at greenfields sites in Colombia and Australia.

Other operating expenses

Other operating expenses in 2008 included post-retirement medical provisions for operations mainly in South Africa of U.S.\$2 million and other employment costs of U.S.\$4 million.

Operating special items

In 2008, the Company incurred an operating special items loss of U.S.\$1,538 million which arose mainly from an impairment charge of U.S.\$1,608 million. This impairment charge related primarily to the former Ashanti mines in Ghana and Tanzania. At the time of the Ashanti acquisition, the purchase price allocation was determined by the Company based on the forward gold curve. Since then, the Company has consistently applied this methodology i.e., the forward gold curve of a 30-day average spot price during the fourth quarter, to test these assets for impairment purposes. Although the starting point of the forward gold price curve was higher in 2008 compared with 2007, the slope or rate of escalation of the price curve was lower in 2008. The forward price curve, if discounted at U.S. CPI, is U.S.\$817 per ounce (2007: U.S.\$887 per ounce). Discount rates applied in 2008 are higher than those used in the previous year, reflecting current market and economic conditions. In addition, reserves at the Geita mine in Tanzania decreased during 2008. These two factors were the primary cause of the accounting write-down.

Interest received

Interest received increased by U.S.\$23 million from U.S.\$43 million in 2007 to U.S.\$66 million in 2008, mainly as a result of increased funds arising from the higher average gold price.

Finance costs and unwinding of obligations

Finance costs decreased from U.S.\$120 million in 2007 to U.S.\$114 million in 2008, primarily as a result of reduced borrowings in a rising interest rate environment for variable rate overdrafts and bank loans, and the fixed interest rate on the convertible bonds. The unwinding of the decommissioning and restoration obligations amounted to U.S.\$20 million in 2008 compared to U.S.\$21 million in 2007.

Taxation

A taxation charge of U.S.\$101 million was recorded in 2007 compared to a benefit of U.S.\$197 million in 2008. This was partially due to lower earnings, lower taxation rates in South Africa and the deferred tax benefit arising from early hedge settlements.

Financial performance in 2007 (restated) compared with 2006 (as reported)

Revenues

Revenues from product sales and other income increased to U.S.\$3,113 million in 2007 from U.S.\$3,106 million in 2006, primarily due to the increase in the spot price of gold in 2007. The impact of the higher spot price was largely negated by the 2007 restatement for the change in accounting policy relating to joint ventures amounting to U.S.\$359 million. The average spot price of gold was U.S.\$697 per ounce during 2007, U.S.\$93 per ounce, or 15 percent, higher than U.S.\$604 per ounce, the average spot price of gold in 2006. The majority of product sales consisted of U.S. dollar-denominated gold sales.

Gold income

Gold income increased to U.S.\$3,002 million in 2007 from U.S.\$2,964 million in 2006 mainly due to the increase in the spot gold price which impact was to a large extent offset by the 2007 restatement for the change in accounting policy relating to joint ventures amounting to U.S.\$278 million.

Gold income from the South African operations increased to U.S.\$1,399 million in 2007 from U.S.\$1,347 million in 2006, representing a 4 percent increase, primarily as a result of the increase in the gold price, partially offset by lower gold production. Gold income generated from the operations in Ghana amounted to U.S.\$337 million in 2007, compared to U.S.\$263 million in 2006, primarily as a result of the higher gold price partially offset by reduced gold production from 592,000 ounces in 2006 to 527,000 ounces in 2007. Gold income from the operations in Guinea increased to U.S.\$211 million in 2007 from U.S.\$141 million in 2006, primarily as a result of the higher gold price and an increase in gold production from 256,000 ounces in 2006 to 280,000 ounces in 2007. Gold income from the operations in Tanzania decreased to U.S.\$114 million in 2007 from U.S.\$127 million in 2006 mainly as a result of the higher gold price and an increase in gold production from 308,000 ounces in 2006 to 327,000 ounces in 2007. Gold income from operations in the United States, South America and Australia amounted to U.S.\$116 million, U.S.\$425 million and U.S.\$348 million, respectively, in 2007, compared to U.S.\$95 million, U.S.\$353 million and U.S.\$271 million, respectively, in 2006.

Cost of sales

Cost of sales increased to U.S.\$2,458 million in 2007 from U.S.\$2,282 million in 2006, representing an 8 percent increase. This increase was largely attributable to a mix of currency and inflationary effects, resulting from mixed mining contractor costs and higher diesel, fuel, transport and electricity prices. This was partially offset by the effects of cost-saving initiatives and the impact of the 2007 restatement for the change in accounting policy relating to joint ventures amounting to U.S.\$178 million.

Cost of sales changes included the following:

Total cash costs increased to U.S.\$1,836 million in 2007 from U.S.\$1,746 million in 2006, equating to an increase in cash costs per ounce from U.S.\$308 in 2006 to U.S.\$357 in 2007. Of the U.S.\$49 per ounce increase in per ounce cash costs, U.S.\$21 per ounce was due to inflation and U.S.\$20 per ounce to lower efficiencies resulting from higher treatment and maintenance cost, U.S.\$8 per ounce to decreased

by-product sales, U.S.\$6 per ounce to lower volumes and U.S.\$5 per ounce to exchange and royalty effects. These increases were partially offset by higher grades of U.S.\$2 per ounce and other variances of U.S.\$9 per ounce.

Retrenchment costs were U.S.\$19 million in 2007 compared with U.S.\$22 million in 2006. Costs incurred in 2006 were as a result of a general cost efficiency drive and staff reductions at African mines. In 2007, this drive was continued at all the African mines.

Rehabilitation and other non-cash costs increased by U.S.\$64 million compared with the previous year, resulting in a charge of U.S.\$61 million in 2007 compared to a credit of U.S.\$3 million in 2006, largely because of changes to estimates, the effect of interest rates in the discounting and a reassessment of the processes to be undertaken to complete the Group's restoration obligations. This was especially impacted by changes in regulations implemented during the year at the African mines.

The amortisation of tangible assets at U.S.\$597 million was U.S.\$30 million lower than in 2007. The reduction was largely attributable to the reassessment of the useful lives of the mining assets and the impact of the 2007 restatement for the change in accounting policy relating to joint ventures amounting to U.S.\$23 million.

Loss on non-hedge derivatives and other commodity contracts

Loss on non-hedge derivatives and other commodity contracts was U.S.\$792 million in 2007 compared to a loss of U.S.\$239 million in the previous year. The loss was primarily a result of the revaluation of non-hedge derivatives resulting from changes in the prevailing spot gold price.

Corporate administration and other expenses

Corporate and other administration expenses increased by U.S.\$44 million as compared with the previous year to U.S.\$128 million, mainly as a result of the costs associated with share-based payment expenses, increased retirement costs, higher consultancy and advisory fees, salary and bonus inflation and lower cost recoveries.

Market development costs

Market development costs remained at the same level as in 2006 at U.S.\$16 million most of which was spent through the World Gold Council.

Exploration costs

Exploration continued to focus around the operations in the countries in which the Company operates, namely, Australia, Ghana, Guinea, Tanzania, Mali, Namibia, South Africa and the United States. In addition, exploration activities continued to focus on new prospects in the Democratic Republic of Congo, Colombia, China and Russia. Total exploration costs for 2007 was U.S.\$167 million, of which U.S.\$92 million was for greenfields exploration and U.S.\$47 million was capitalised expenditure at existing mine sites. The increase in exploration costs of U.S.\$59 million from 2006 was primarily a result of increased expenditure at greenfields sites in South America and Australia.

Other operating expenses

Other operating expenses in 2007 included post-retirement medical provisions for operations, mainly in South Africa, of U.S.\$3 million, other employment costs of U.S.\$15 million and sundry expenses of U.S.\$2 million.

Operating special items

The Company incurred an operating special items loss of U.S.\$13 million in 2007, which arose from a reassessment of indirect tax recoverables at the African mines of U.S.\$19 million, provisions for royalty disputes and insurance claims not yet received of U.S.\$7 million and impairments of U.S.\$1 million, partially offset by profits on the disposal of and recoveries from various assets of U.S.\$14 million.

Interest received

Interest received increased by U.S.\$11 million from U.S.\$32 million in 2006 to U.S.\$43 million in 2007, mainly as a result of increased funds arising from the higher average gold price.

Finance costs and unwinding of obligations

Finance costs of U.S.\$120 million in 2007, which approximate those of 2006, are as a result of similar average borrowing levels during the year in a stable interest rate environment for variable rate overdrafts and bank loans and the fixed interest rate on the convertible bonds. The unwinding of the decommissioning and restoration obligations amounted to U.S.\$21 million in 2007 compared to U.S.\$16 million in 2006.

Taxation

The taxation charge was U.S.\$101 million in 2007 compared to U.S.\$180 million in 2006. The decrease in the taxation charge was primarily a result of lower earnings for the year, a decrease in the effective rates of taxation and the effect of higher tax losses in the current year.

Liquidity and Capital Resources

Operating activities

Net cash outflow from operating activities was U.S.\$529 million in 2008 compared with a net cash inflow of U.S.\$866 million in 2007. The decrease in net cash inflow from operating activities over 2007 was mainly the result of payments to early settle some hedge commitments and uranium contracts and higher payments to suppliers, although the Company received a higher average gold price during 2008 compared with 2007.

Net cash inflow from operating activities was U.S.\$866 million in 2007, 24 percent lower than the amount of U.S.\$1,137 million recorded in 2006. The decrease in net cash inflow from operating activities over 2006 was mainly the result of higher payments to suppliers as well as higher taxation payments.

Investing activities

Investing activities in 2008 resulted in a net cash outflow of U.S.\$1,041 million compared with a net cash outflow of U.S.\$1,015 million in 2007. The major component of cash outflows was additions to tangible assets which included capital expenditure of U.S.\$1,194 million compared with a net cash outflow of U.S.\$1,015 million in 2007, with the major capital projects being the Boddington expansion project in Australia (U.S.\$419 million), Mponeng VCR below 120 Level project (U.S.\$45 million), Iduapriem (U.S.\$43 million) (mainly the plant expansion), AngloGold Ashanti Brasil Mineração (U.S.\$30 million) (mainly at Córrego Do Sítio and Lamego), TauTona (U.S.\$21 million) (mainly the below 120 Level project) and Serra Grande (U.S.\$20 million) (the main project being the plant expansion). Cash outflows from derivative settlements amounted to U.S.\$1113 million in 2008.

Proceeds from the disposal of tangible assets include U.S.\$14 million from the disposal of certain North American royalty and production-related interests of the El Chanante and Marigold projects to Royal Gold, U.S.\$14 million from the disposal of a 50 percent interest in Amikan and AS APK to the Polymetal Joint Venture, and U.S.\$7 million from real estate activities in Brazil. Proceeds from the disposal of assets of discontinued operations of U.S.\$10 million relates to the sale of Ergo assets to a consortium of Mintails South Africa (Pty) Limited/DRD South African Operations (Pty) Limited. Investments acquired and disposed of during 2008 relate mainly to investments held in rehabilitation trust funds established by the Company in compliance with regulatory requirements.

Investing activities in 2007 resulted in a net cash outflow of U.S.\$1,015 million compared with a net cash outflow of U.S.\$738 million in 2006. The major component of cash outflows was additions to tangible assets which included capital expenditure of U.S.\$1,015 million compared to U.S.\$817 million in 2006, with the major capital projects being the Mponeng VCR below 120 level, the TauTona CLR below 120

Level project and Moab Khotsong Phase 1 in South Africa, the Boddington expansion project in Australia and the Cuiabá expansion project in Brazil. Cash paid for two exploration companies acquired from Trans-Siberian Gold plc (as sold in 2008 to the Company's strategic alliance with Polymetal) was U.S.\$40 million in 2007.

Financing activities

Net cash generated by financing activities increased by U.S.\$1,615 million from an inflow of U.S.\$141 million in 2007 to an inflow of U.S.\$1,756 million in 2008. This increase was primarily attributable to the proceeds from the issue of 69,470,442 shares in the Rights Offer. Proceeds from borrowings amounted to U.S.\$853 million during 2008 and included a drawdown of U.S.\$743 million on the U.S.\$1,150 million syndicated term facility. Repayment of borrowings increased from U.S.\$520 million in 2007 to U.S.\$614 million in 2008 and included the repayment of the South African corporate bond of U.S.\$242 million and U.S.\$316 million on the syndicated term facility.

Dividends paid decreased to U.S.\$58 million (13 U.S. cents or 103 South African cents per Share) in 2008 compared with U.S.\$144 million (45 U.S. cents or 330 South African cents per Share) in 2007. The Company declares interim dividends at the time of announcing its interim results and declares and pays final dividends in the following year based on the previous six months' results.

Net cash generated by financing activities increased by U.S.\$251 million from an outflow of U.S.\$110 million in 2006 to an inflow of U.S.\$141 million in 2007. Proceeds from borrowings during 2007 amounted to U.S.\$843 million and included U.S.\$195 million on the previous U.S.\$700 million syndicated term facility and a U.S.\$525 million drawdown on the new U.S.\$1,150 million syndicated term facility and other sundry amounts. Repayment of borrowings amounted to U.S.\$520 million and included U.S.\$375 million on the previous U.S.\$700 million syndicated term facility. Other loan repayments included normal scheduled payments in terms of loan agreements.

Dividends paid increased from U.S.\$132 million (39 U.S. cents or 272 South African cents per Share) in 2006 to U.S.\$144 million (45 U.S. cents or 330 South African cents per Share) in 2007.

Off-balance sheet items

Commodity based contracts ("normal purchase or normal sale") that meet the requirements of IAS 39 are not recognised on the balance sheet, but are recognised in earnings when they are settled by physical delivery.

Liquidity

The Company's revenues are derived primarily from the sale of gold produced at its mines. Cash generated by operating activities is therefore the function of gold produced sold at a specific price. As the market price of gold can fluctuate widely, this may negatively impact the profitability of the Company's operations and the cash flows generated by these operations. The Company uses a number of products, including derivatives, to manage gold price and foreign exchange risks that arise out of its core business activities to limit the impact of such risks on the profitability of the Company's operations and generated cash flows.

The Company's cash and cash equivalents increased to U.S.\$575 million at 31 December 2008 compared with U.S.\$477 million at 31 December 2007 and U.S.\$495 million at 31 December 2006. In accordance with South African Reserve Bank regulations, cash generated by South African operations is held in rand and is therefore subject to exchange controls. At 31 December 2008, approximately 54 percent of the Company's cash and cash equivalents was held in U.S. dollars, 29 percent was held in South African rand and 17 percent in other currencies.

On 13 December 2007, AngloGold Ashanti Holdings plc, AngloGold Ashanti USA Incorporated and AngloGold Australia Limited, each a wholly-owned subsidiary of the Company, entered into a U.S.\$1.15 billion syndicated loan facility, as borrowers, at a margin of 0.4 percent over LIBOR. The syndicated loan facility is a revolving credit facility, whereby amounts maybe repaid and reborrowed during the three year term of the facility. The Company, AngloGold Ashanti Holdings plc, AngloGold Ashanti USA

Incorporated and AngloGold Ashanti Australia Limited, as guarantors, have each guaranteed the obligations of the borrowers and the other guarantors under the syndicated loan facility.

Global capital market conditions have been, and continue to be, disrupted and volatile and the volatility and lack of liquidity in global capital markets reached unprecedented levels in the second half of 2008. It was the Company's intention to refinance the U.S.\$1 billion convertible bond that matured on 27 February 2009 with the proceeds of a new equity linked instrument. However, in light of these market conditions, on 30 October 2008 the Company announced that it was actively exploring a broader range of refinancing options, including bridge financing, further debt financing and additional asset sales, as well as reviewing discretionary capital expenditures.

On 20 November 2008, the Company entered into the 2008 Term Facility. A full description of this 2008 Term Facility is located in "Additional Information - Material Contracts" on page 117 of this Prospectus.

On 28 January 2009 the Company announced that it had agreed to sell its indirect 33.33 percent joint venture interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation ("NMC") for an aggregate consideration of up to approximately U.S.\$1.1 billion. The consideration for the sale of Boddington involves the following elements:

- an upfront cash consideration on closing of the sale of U.S.\$750 million;
- a deferred payment due at the end of 2009 of U.S.\$240 million, payable in cash or freely tradable NMC shares;
- full reimbursement upon closing of all cash calls for the project funded by the Company during 2009;
- royalty payments of up to U.S.\$100 million payable quarterly from after mid-2010, subject to the project achieving a cash cost margin in excess of U.S.\$600 per ounce; and
- a payment from the Company to NMC of U.S.\$8 million upon closing, being the Company's share of Boddington's working capital liability at 31 December 2008.

In addition to saving on budgeted capital expenditure of A\$269 million during 2009, the proceeds from the sale to be received in 2009 (net of capital gains tax) are expected to be approximately \$907 million. The sale of Boddington is expected to close in the second quarter of 2009, pending the receipt of certain third party consents.

On 25 February 2009, AngloGold Ashanti Holdings plc entered into an agreement with Standard Chartered Bank to amend the terms of the 2008 Term Facility. The amendment will become effective upon prepayment, prior to 26 August 2009, of between U.S.\$500 million and U.S.\$750 million, at the election of AngloGold Ashanti Holdings plc, of the amount outstanding under the 2008 Term Facility. Upon the prepayment:

- of U.S.\$750 million, U.S.\$250 million (being the remaining amount outstanding after the prepayment) will be converted into a new term loan due one year from the date of the first drawdown under the 2008 Term Facility, which occurred on 26 February 2009, subject to AngloGold Ashanti Holdings plc's option to extend that maturity date for one additional year; or
- of between U.S.\$500 million and U.S.\$750 million, with respect to the amount outstanding after the prepayment, up to: (i) U.S.\$250 million will be converted into a new term loan with the same maturity as described above and, (ii) the amount equal to the difference between the prepayment and U.S.\$750 million will be converted into a new revolving facility loan of up to U.S.\$250 million.

Upon effectiveness of the amendment to the 2008 Term Facility, the new term loan and any amounts outstanding under the new revolving credit facility (if any) will bear an interest margin of 4.25 percent per annum over the higher of (i) the applicable LIBOR and (ii) the lender's cost of funds (subject to a cap of LIBOR plus 1.25 percent per annum).

The Company intends to refinance the 2008 Term Facility through one or more of the following: the proceeds from the sale of the Company's interest in the Boddington project and other asset sales, long-term debt financing and/or the issuance of an equity-linked instrument.

Short-term debt

The Company's short-term debt increased to U.S.\$1,063 million at 31 December 2008 from U.S.\$319 million at 31 December 2007 and U.S.\$59 million at 31 December 2006. The amount of short-term debt at 31 December 2008 includes the U.S.\$1,004 million convertible bond, which matured on 27 February 2009. Also included in the short-term debt at 31 December 2008 were:

- the Standard Bank Argentina S.A. loans of U.S.\$23 million, repayable in January, February and April 2009; and
- U.S.\$4 million in interest payable under the U.S.\$1,150 million syndicated term facility (interest charged at LIBOR plus 0.45 percent per annum; the loan is repayable in December 2010 and is U.S. dollar-based).

Long-term debt

The Company's long-term debt decreased to U.S.\$870 million at 31 December 2008 from U.S.\$1,529 million at 31 December 2007 and U.S.\$1,423 million at 31 December 2006. As at 31 December 2008 the Company's long-term borrowings included:

Unsecured loans:

- U.S.\$835 million outstanding under the U.S.\$1,150 million syndicated term facility (interest charged at LIBOR plus 0.4 percent per annum; the loan is repayable in December 2010 and is U.S. dollar-based).

Secured capital leases:

- U.S.\$27 million is repayable to Turbine Square Two (Proprietary) Limited for buildings financed (interest charged at an implied rate of 9.8 percent per annum, lease payments are payable in monthly instalments terminating in March 2022, are rand-based and the buildings financed are used as security for these loans).

As at 31 December 2007 and 2008, the Company's total long-term debt was made up as follows:

	As at 31 December	
	2007	2008
	As restated	(audited)
	(unaudited)	(audited)
	(in U.S.\$ millions)	
Unsecured borrowings	1,803	1,902
Secured finance leases	45	31
Total borrowings	1,848	1,933
Less: Short-term maturities	(319)	(1,063)
Total long-term debt	1,529	870
Debt repayments are scheduled as follows:		
2009	319	1,063
2010	975	843
2011	524	6
2012	3	3
2013	3	3
Thereafter	24	15
Total	1,848	1,933

At 31 December 2007 and 2008, the currencies in which the borrowings were denominated were as follows:

	As at 31 December	
	2007	2008
	As restated (unaudited)	(audited)
	(in U.S.\$ millions)	
United States dollars	1,356	1,373
South African rands	341	27
Australian dollars	150	521
Brazilian real	1	12
Total	1,848	1,933

At 31 December 2007 and 2008, the Company had the following undrawn under its borrowing facilities:

	As at 31 December	
	2007	2008
	As restated (unaudited)	(audited)
	(in U.S.\$ millions)	
Syndicated loan – U.S.\$1,150 million	627	327
FirstRand Bank Limited – U.S. dollar	50	50
Absa Bank Limited – U.S. dollar	42	42
Nedbank Limited – U.S. dollar	2	2
Standard Bank of South Africa Limited – rands	38	20
FirstRand Bank Limited – rands	32	23
Nedbank Limited – rands	7	5
Absa Bank Limited – rands	4	3
Commerzbank AG – rands	3	-
ABN Amro Bank N.V. – rands	1	-
ABN Amro Bank N.V. – euros	7	-
Total undrawn	813	472

The Company had no other committed lines of credit as of 31 December 2008. The 2008 Term Facility was not committed at 31 December 2008 as it could not be drawn upon until February 2009.

As of 31 December 2008 the Company was in compliance with all debt covenants and provisions related to potential defaults.

Capital expenditure is expected to be approximately U.S.\$840 million in 2009 and scheduled debt repayments during 2009, less the U.S.\$1 billion payment made upon maturity of the U.S.\$1 billion convertible bond on 27 February 2009, are expected to be U.S.\$63 million. The Company intends to finance the capital expenditure and scheduled debt repayments in 2009 from cash on hand, cash flow from operations, existing credit facilities and, potentially, additional credit facilities or debt or equity-linked instruments and proceeds from the sale of assets.

The Company, through its executive and treasury committees, reviews its short-, medium- and long-term funding, treasury and liquidity requirements and positions monthly. The board of directors of the Company also reviews these on a quarterly basis at its meetings.

In addition, the Company expects that the recent sale of its interest in the Boddington joint venture and the sale of the Tau Lekoa mine will have a positive effect on its capital resources.

There has been no material change to the Company's current borrowings since the date of the Capitalisation and Indebtedness table included on page 1 of this Prospectus.

Capital commitments and contingencies

Capital commitments and contingent liabilities of the Company include total contracted capital expenditure of approximately U.S.\$162 million and total authorised capital expenditure not yet contracted of approximately U.S.\$1,396 million. Capital expenditure is expected to be financed from existing cash resources, cash generated by operations and debt facilities over a number of years.

- The Company has identified a number of groundwater pollution sites at its operations in South Africa and has investigated a number of different technologies and methodologies that could possibly be used to remediate the pollution plumes. Numerous scientific, technical and legal reports have been produced and the remediation of the polluted soil and groundwater is the subject of continued research. Subject to the technology being developed as a proven remediation technique, no reliable estimate can be made for the obligation.
- Contractual purchase obligations for the purchase of mining contract services, power, supplies, consumables, inventories, explosives and activated carbon amounting to U.S.\$685 million.
- The Company has identified a flooding and future pollution risk posed by deep groundwater, due to the interconnected nature of operations in the West Wits and Vaal River operations in South Africa. The Company is involved in task teams and other structures to find long-term sustainable solutions for this risk, together with industry partners and government. As there is too little foundation for the accurate estimate of a liability, no reliable estimate can be made for the obligation.
- The Company identified offsite pollution impacts in the West Wits area, resulting from a long period of gold and uranium mining activity by a number of mining companies as well as millennia of weathering of natural reef outcrops in the catchment areas. Investigations are being conducted but no reliable estimate can be made for the obligation.
- Mineração Serra Grande S.A. ("MSG"), the operator of the Crixas mine in Brazil, has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export, including, one assessment for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the State of Goiás through a branch located in a different Brazilian state, it must obtain an authorisation from the Goiás State Treasury by means of a Special Regime Agreement ("TARE"). The Company's attributable share of the first assessment is approximately U.S.\$34 million. Although MSG requested the TARE in early 2004, the TARE, which authorised the remittance of gold to the Company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006. In November 2006 the administrative council's second chamber ruled in favour of MSG and fully cancelled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first assessment, and the Company's attributable share of the assessment is approximately U.S.\$21 million. The Company believes both assessments are in violation of federal legislation on sales taxes.
- MSG, Morro Velho and AngloGold Ashanti Brasil Mineração are involved in disputes with Brazilian tax authorities. These disputes involve federal tax assessments including income tax, social contributions and annual property tax based on ownership of properties outside of urban perimetres. Tax authorities are claiming that the amount owed is U.S.\$12 million.
- MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold allegedly returned from the branch in Minas Gerais to the Company head office in the State of Goiás. The tax administrators rejected the Company's appeal against the

assessment. The Company is now appealing the dismissal of the case. Tax authorities are claiming that the amount owing is U.S.\$6 million.

- The Company has provided surety in favour of the lender in respect of gold loan facilities to wholly-owned subsidiaries of Oro Group (Proprietary) Limited, an affiliate of the Company. The Company has a total maximum liability, in terms of the suretyships, of ZAR100 million (U.S.\$11 million). The probability of the non-performance under the suretyships is considered minimal.
- Pursuant to U.S. environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti USA Incorporated has posted reclamation bonds with various federal and state governmental agencies to cover potential rehabilitation obligations in amounts aggregating approximately U.S.\$85 million. The Company has provided a guarantee for these obligations which would be payable in the event AngloGold Ashanti USA Incorporated is not able to meet its rehabilitation obligations. As at 31 December 2008, the carrying value of these obligations amounted to U.S.\$42 million and is included in the provision for environmental rehabilitation in the Company's consolidated balance sheet. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable federal and/or state agency. The Company is not indemnified by third parties for any of the amounts that may be paid under its guarantee.
- The Company, AngloGold Ashanti Holdings plc, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited, as guarantors, each have guaranteed all payments and other obligations of the borrowers and other guarantors under the U.S.\$1.15 billion syndicated term facility dated 13 December 2007. The guaranteed amount as at 31 December 2008 amounted to U.S.\$839 million.
- The Company, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited, as guarantors, have each guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc and the other guarantors under the 2008 Term Facility.
- The Company has issued gold delivery guarantees of U.S.\$325 million to several counterpart banks in which it guarantees the due performance of its subsidiaries AngloGold (USA) Trading Company, AngloGold South America Limited and Cerro Vanguardia S.A. under their respective gold hedging agreements.
- The Company together with its wholly-owned subsidiary AngloGold Ashanti Holdings plc has provided guarantees to several counterpart banks for the hedging commitments of its wholly-owned subsidiary Ashanti Treasury Services Limited ("ATS"). The maximum potential amount of future payments is all moneys due, owing or incurred by ATS under or pursuant to the hedging agreements. At 31 December 2008 the marked-to-market valuation of the ATS hedge book was negative U.S.\$987 million.
- The Company and its wholly-owned subsidiary AngloGold Ashanti Holdings plc have issued hedging guarantees to several counterpart banks in which they have guaranteed the due performance by Geita Management Company Limited ("GMC") of its obligations under or pursuant to the hedging agreements entered into by GMC, and to the payment of all money owing or incurred by GMC as and when due. The maximum potential amount of future payments is all moneys due, owing or incurred by GMC under or pursuant to the hedging agreements. At 31 December 2008 the marked-to-market valuation of the GMC hedge book was negative U.S.\$331 million.

In addition to the above, the Company has contingent liabilities in respect of certain tax assessments, claims, disputes and guarantees which are not considered to be material.

As at 31 December 2008, capital commitments and contingencies can be summarised over the periods shown below as follows:

Commitment	Total Amount	Expiration per Period			
		Less than 1 year	1 – 3 Years	4 – 5 years	Over 5 years
(in U.S.\$ millions)					
Capital expenditure ⁽¹⁾ (contracted and not yet contracted)	1,558	1,433	125	-	-
Guarantees	1,654	1,185	254	215	-
Other commercial commitments ⁽²⁾	685	289	193	192	11
Total	3,897	2,907	572	407	11

(1) Including commitments through contractual arrangements with equity accounted joint ventures.

(2) Excludes commitments through contractual arrangements with equity accounted joint ventures.

Derivatives accounted for at fair value

In the normal course of its operations, the Company is exposed to gold and other commodity price, currency, interest rate, liquidity and non-performance risk, which includes credit risks. In order to manage these risks, the Company may enter into transactions that make use of both on- and off-balance sheet derivatives. The Company does not acquire, hold or issue derivatives for economic trading purposes. A number of derivatives, including forward purchase and sale contracts and call and put options and gold lease rate swaps, are used to manage commodity price, interest rate and foreign exchange risks that arise out of the Company's core business activities.

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. The following table represents the change in fair value of all derivative financial instruments:

	(in U.S.\$ millions)
Fair value of derivatives at 1 January 2008	(4,342)
Derivatives realised or otherwise settled during the year	1,498
Fair value of other new contracts entered into during the year	279
Change in fair value of derivatives during the year ⁽¹⁾	67
Fair value of derivatives at 31 December 2008	(2,498)

(1) Net losses on revaluation of derivatives.

The fair value of the on-balance sheet derivatives at 31 December 2008 included:

	(in U.S.\$ millions)
Derivatives – current assets	570
Derivatives – current liabilities	(1,737)
Derivatives – long term liabilities	(25)
Derivatives – net liabilities	(1,192)

The difference between the fair value of all derivatives and the fair value of on-balance sheet derivatives represents the fair value of off-balance sheet derivatives totalling negative U.S.\$1,306 million.

The maturity of the fair value of derivatives as at 31 December 2008 was as follows:

Source of fair value	Maturity less than 1 year	Maturity 1 – 3 years	Maturity 4 – 5 years	Maturity excess of 5 years	Total Fair Value
Prices actively quoted	-	-	-	-	-
Prices provided by other external sources	-	-	-	-	-
Prices based on models and other valuation methods ⁽¹⁾	(1,615)	(668)	(215)	-	(2,498)

(1) Fair value is calculated using the Black-Scholes option formula and other formulae, using ruling market prices and interest rates which are obtained from international banks and are liquid and actively quoted across the full time horizon of the tenor of the hedging contracts.

Sensitivity analysis

The following table shows the approximate sensitivities of the U.S.\$ marked-to-market value of the hedge book at 31 December 2008 (actual changes in the timing and amount of the following variables may differ from the assumed changes below):

Sensitivity analysis Variables	Change in Rate (+)	Change in Fair value⁽¹⁾	Change in Rate (-)	Change in Fair value⁽¹⁾
Currency (R/\$)	1	1	1	(3)
Currency (A/\$)	0.25	175	0.25	(173)
Currency (BRL/\$)	0.25	(5)	0.25	6
Gold price (U.S.\$/oz)	200	(1,053)	200	975
U.S. Interest Rate (percent)	0.1	(48)	0.1	50
ZAR Interest Rate (percent)	1.5	-	1.5	-
Aus Interest Rate (percent)	1.5	(2)	1.5	2
Gold Interest Rate (percent)	0.5	66	0.5	(68)

(1) In U.S.\$ million.

Hedge levels

The Company employs hedging as an element of its risk management strategy. The Company currently uses hedging instruments to fix the selling price of a portion of its anticipated gold production and to protect revenues against unfavourable gold price and exchange rate movements. While the use of these instruments may protect against a drop in gold prices and exchange rate movements, it will do so for only a limited period of time and only to the extent that the hedge remains in place. The use of these instruments may also prevent the Company from fully realising the positive impact on income from any subsequent favourable increase in the price of gold on the portion of production covered by the hedge and of any subsequent favourable exchange rate movements. The rising price of gold has resulted in an increasing gap between the spot price and the Company's received price of gold, and this may continue for the next three to five years as the Company closes out its existing hedge positions by delivering into contracts.

The Company has used commodity instruments to protect the selling price of some of its anticipated production. The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001, the Company has been reducing its hedge commitments through hedge buy backs, deliveries into contracts and restructuring in order to provide greater participation in a rising gold price environment, the effect of which may be that only limited price protection is available in lower gold prices. During 2008, the Company's hedge book commitments were reduced by 47 percent, from 11.28 million ounces to 5.99 million ounces.

A summary of the hedge position as at 31 December 2006, 2007 and 2008 is as follows. The "years of production hedged" is calculated as the hedge net delta position at year end divided by the annual production for that year.

As at 31 December	Hedge Net Delta kg's	Annual Production for Year kg's	Years of Production Hedged
2006	316,012	175,253	1.80
2007	323,121	170,365	1.90
2008	162,223	154,958	1.05

While the Company may reduce its net delta hedge position further in line with a positive price outlook, it will continue to actively manage the hedge in order to protect margins and to ensure its ability to service debt requirements.

Hedge performance

The following table provides a summary of the average received gold price for the Company and the average spot gold price over the last five years. The table provides an indication of past hedge performance.

Year	Sales – thousand ounces	Prices Received U.S. dollar per ounce	Average Spot Price U.S. dollar per ounce
2004	5,838	394	410
2005	6,133	439	445
2006	5,583	577	604
2007	5,474	629	697
2008	5,014	485	872

As at 31 December 2008, the total net delta hedge position of the Company was 5.22 million ounces or 162 tonnes, valued at the spot price of gold on that day of U.S.\$872 per ounce, exchange rates of ZAR9.455/U.S.\$ and A\$/U.S.\$0.6947 and the prevailing market interest rates and volatilities at that date. The marked-to-market value of the hedge position at this date was negative U.S.\$2.46 billion.

These marked-to-market valuations are in no way predictive of the future value of the hedge position or of the future impact on the revenue of the Company. The marked-to-market represents the current value of the hedge book at market prices and rates available at that time.

The table below indicates the Company's gold hedge position at a weighted average settlement price as at 31 December 2008.

	Year	2009	2010	2011	2012	2013	2014-2016	Total
DOLLAR GOLD								
Forward contracts	Amount (kg)	(5,960)*	8,354	11,765	11,944	9,518	2,845	38,466
	U.S.\$/oz	\$1,199	\$204	\$383	\$404	\$408	\$510	\$467
Put options sold	Amount (kg)	4,043	4,226	3,048	1,882	1,882	1,882	16,963
	U.S.\$/oz	\$671	\$708	\$533	\$430	\$440	\$450	\$579
Call options sold	Amount (kg)	14,805	33,394	38,312	24,461	17,857	22,067	150,896
	U.S.\$/oz	\$442	\$537	\$530	\$622	\$601	\$606	\$557
RAND GOLD								
Forward contracts	Amount (kg)	(1,866)*						(1,866)*
	ZAR/kg	R157,213						R157,213
A DOLLAR GOLD								
Forward contracts	Amount (kg)	280	3,110					3,390
	A\$/oz	A\$852	A\$652					A\$669
Call options purchased	Amount (kg)	1,244	3,110					4,354
	A\$/oz	A\$694	A\$712					A\$707
Total net gold**:	Delta (kg)	(4,501)	(36,523)	(44,466)	(31,629)	(24,106)	(20,998)	(162,223)
	Delta (oz)	(144,720)	(1,174,250)	(1,429,620)	(1,016,910)	(775,040)	(675,070)	(5,215,610)

* Indicates a net long position resulting from forward purchase contracts.

** The Delta of the hedge position indicated above is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at 31 December 2008.

The Company has taken, and continues to take, steps to increase its participation in the higher prevailing spot prices for gold or that will allow it to reduce its hedge position as a percentage of its current or future gold production, including continuing to deliver into maturing gold hedges or implementing hedge buy backs thereby reducing the Company's gold hedge position over time.

The Company initially capitalised on a weaker gold market from the second quarter of 2008 in order to execute a combination of delivery into and early settlement of non-hedge derivative contracts. The

number of committed ounces was reduced by 4.4 million ounces (39 percent) from a total of 11.28 million ounces as at 1 January 2008 to 6.9 million ounces as at 1 July 2008. During the second half of 2008, the Company continued to settle by physical delivery outstanding contracts to effect a reduction of approximately 47 percent of committed ounces in total over the course of the year. Following the successful completion of its rights offering on 14 July 2008, the Company announced that substantial progress had been made ahead of schedule in the reduction of its hedge book. During 2008, the Company reduced the net delta tonnage of its gold hedge by 5.17 million ounces. The total commitments of the hedge book as at 31 December 2008 was 5.99 million ounces.

As a result of the hedge restructuring completed in 2008 and assuming a spot gold price of approximately U.S.\$900 per ounce in 2009, the Company expects an average price received of U.S.\$846 per ounce in 2009, which represents a 6 percent discount to the spot price as at 31 December 2008, which would represent a significant improvement in the position prevailing prior to the hedge restructuring.

Foreign exchange price risk protection agreements

The Company's cash flow hedges consist of commodity and foreign exchange forward contracts that are used to protect against exposures to variability in future commodity and foreign exchange cash flows. The amounts and timing of future cash flows are projected for each portfolio of financial assets and liabilities on the basis of their contractual terms and other relevant factors, including estimates of prepayments and defaults. The contractual cash flows across all portfolios over time form the basis for identifying gains and losses on the effective portions of derivatives designated as cash flow hedges of forecast transactions. Gains and losses are initially recognised directly in equity (other comprehensive income) and are transferred to earnings when the forecast cash flows affect the income statement.

The following table indicates the Company's currency hedge position at 31 December 2008:

Year		2009	2010	2011	2012	2013	2014-2016	Total
RAND /U.S. DOLLAR (000)								
Put options purchased	Amount	30,000						30,000
	U.S.(U.S.\$) Rand per U.S.\$	R11.56						R11.56
Put options sold	Amount	50,000						50,000
	U.S.(U.S.\$) Rand per U.S.\$	R9.52						R9.52
Call options sold	Amount	50,000						50,000
	U.S.(U.S.\$) Rand per U.S.\$	R11.61						R11.61
AUSTRALIAN DOLLAR /U.S. DOLLAR (000)								
Forward contracts	Amount	450,000						450,000
	U.S.(U.S.\$) U.S.\$ per A\$	U.S.\$0.65						U.S.\$0.65
Put options purchased	Amount	10,000						10,000
	U.S.(U.S.\$) U.S.\$ per A\$	U.S.\$0.69						U.S.\$0.69
Put options sold	Amount	10,000						10,000
	U.S.(U.S.\$) U.S.\$ per A\$	U.S.\$0.76						U.S.\$0.76
Call options sold	Amount	10,000						10,000
	U.S.(U.S.\$) U.S.\$ per A\$	U.S.\$0.64						U.S.\$0.64
BRAZILIAN REAL /U.S. DOLLAR (000)								
Forward contracts	Amount	62,340						62,340
	U.S.(U.S.\$) BRL per U.S.\$	BRL1.86						BRL1.86

As at 31 December 2008, certain of the hedging positions reported in the above tables were governed by early termination options in favour of certain counterparties.

Dividends and Dividend Policy

The Company may declare dividends at the discretion of its board based on the interim and year end financial performance. Dividends are recognised when declared by the board of the Company and may be payable in Australian dollars, South African rands, United Kingdom pounds or Ghanaian cedis. Historically, the Company has paid dividends twice a year and declared all dividends in South African rand. The interim dividend has typically been declared to qualifying shareholders in July of each year and the final dividend has typically been declared in February of each year. Dividends declared to foreign shareholders are not subject to the approval by the SARB. Dividends are freely transferable to foreign shareholders from both trading and non-trading profits earned in South Africa by publicly listed companies. There are currently no withholding taxes on dividends paid by the Company to its shareholders.

The Company expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payments of future dividends will depend upon earnings, after providing for capital expenditure and long term growth, cash and debt resources, the amount of reserves available for dividend using going concern assessment and restrictions placed by the conditions of the convertible bonds and other factors.

The table below sets forth the dividends paid by the Company in each of the three completed financial years of the Company immediately preceding the date of publication of this Prospectus.

Year ended 31 December	Interim (South African cents per Share)	Final	Total	Interim (U.S. cents per Share)	Final	Total
2006	210	240	450	29.40	32.38	61.78
2007	90	53	143	12.44	6.60	19.04
2008	50	50	100	6.45	4.99	11.00

On 21 February 2007, the South African Government announced a proposal to replace the Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. See "Risk Factors - Risks related to the shares". The recently announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by the Company's shareholders.

Current Trading and Prospects

As gold continues its strong price performance, the Company has continued to remodel its operations, the balance sheet and its management to help position it to deliver increasing and sustainable value to shareholders through 2009 and beyond.

Gold performed remarkably well over the difficult second half of 2008 and into 2009 in the face of the international financial crisis and market volatility. Against the trend that many anticipated, gold has held its ground in the face of a strengthening US dollar, sharp falls in the prices of oil and other key commodities, and declining inflation. Even as gold jewellery demand has fallen in response to the economic crisis, investment demand for gold (and gold shares) has increased. This demand is driven by gold's status as a safe haven amidst the uncertainties caused by the worldwide financial crisis and fears regarding the possible consequences of government interventions to support banks and stimulate consumer demand.

External economic developments and a range of corporate challenges tested the Company to the fullest extent, which in 2008 were fully met by the Company.

The Company took a major step to improve its exposure to the strong gold price following the Rights Offer. This capital raising allowed the Company to make significant inroads into its hedge book. During 2008 the number of committed ounces was reduced by 47 percent from 11.28 million ounces to 5.99 million ounces.

A further major financial event of 2008 for the Company was the signing of the 2008 Term Facility. The Company was extremely pleased to have secured this financing during a time of almost unprecedented market uncertainty and scarcity of liquidity.

On the exploration front, the Company was pleased to announce during the year one of the most significant new gold discoveries of the current era in Colombia, which enabled it to add 12.9 million ounces of gold to its resources base.

The Company took a number of steps to restructure its asset portfolio in order to add value throughout 2008 and in the first quarter of 2009. In May 2008, the Company completed the transaction with B2Gold Corp pursuant to which B2Gold Corp acquired an interest of 15.9 percent in the issued share capital of that Company. In July, the Company finalised the transaction terms for its acquisition of 100 percent of the GCGC, which owned a 33.33 percent stake in CC&V, now a wholly-owned subsidiary and SBMSA from Eldorado. The sale of the Company's interest in the Boddington project and the sale of the Company's Tau Lekoa mine and adjacent project areas will strengthen the balance sheet and position the Company well for further growth. Further details of these transactions can be found on pages 116-118 and 123 of this Prospectus. The Company forecasts gold production for 2009 to be between 4.9 million and 5.0 million ounces at a total cash cost in the range between U.S.\$435 per ounce and U.S.\$450 per ounce. This is based on the following exchange rate assumptions: ZAR9.75/U.S.\$, A\$/U.S.\$0.68, BRL2.25/U.S.\$ and Argentinean peso 3.65/U.S.\$.

As a result of the hedge restructuring completed in 2008 and assuming a spot gold price of approximately U.S.\$900 per ounce in 2009, the Company expects an average price received of U.S.\$846 per ounce in 2009, which represents a 6 percent discount to the spot price as at 31 December 2008 and a significant improvement in the position prevailing prior to the hedge restructuring.

The Company has scheduled capital expenditure of approximately U.S.\$840 million in 2009, of which South Africa accounts for 36 percent, Ghana and Brazil each 18 percent, and the U.S. 9 percent.

On 2 February 2009, the Company estimated first quarter gold production to be 1.13 million ounces at an average cash cost of between U.S.\$440 to U.S.\$450 per ounce, based on the following assumptions: U.S.\$1.00 = R9.75, A\$1.00 = U.S.\$0.66, U.S.\$1.00 = BRL2.25, U.S.\$1.00 = Argentinean pesos 3.50. On 2 April 2009, the Company updated its guidance for first-quarter gold production to approximately 1.1 million ounces, 2.5 percent below the previous guidance, and this is expected to have a proportionate impact on per unit cash costs. The Company maintained its previous guidance for the full year.

BUSINESS

Overview

The Company is a global gold company with a diversified portfolio of assets in many key gold producing regions. As at 31 December 2008, the Company had gold reserves of 74.9 million ounces. For the year ended 31 December 2008, the Company had consolidated gold revenues of U.S.\$3,619 million (which excludes revenue from by-products and interest earned), gold production of 4.98 million ounces and total cash costs of U.S.\$444 per ounce.

The Company was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and in South Africa it is subject to the South African Companies Act 61 of 1973, as amended. The Company's memorandum of association provides that the company's main business is to carry on gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold. AngloGold Limited was formed following the consolidation of the gold interests of Anglo American plc into a single company in 1998. At that time, its production and reserves were primarily located in South Africa (97 percent of 1997 production and 99 percent of reserves as at 31 December 1997) and one of its objectives was to achieve greater geographic and ore body diversity. On 26 April 2004, the Company acquired the entire issued share capital of Ashanti Limited and changed its name to AngloGold Ashanti. The Company's Registered Principal office is located at 76 Jeppe Street, Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa (Telephone +27 11 637-6000).

Through a combination of mergers, acquisitions, disposal initiatives and organic growth, and through the operations in which the Company has an interest, it has developed a high quality, well diversified asset portfolio, including:

- production from 21 operations in 10 countries: Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States;
- production and reserves for the year ended 31 December 2008 of 58 percent and 55 percent, respectively, from operations outside South Africa; and
- gold production from a broad variety of ore body types as well as a variety of open pit (42 percent) underground (55 percent) and surface and dump reclamation (3 percent) operations.

Strategy

The Company's business strategy has three principal elements:

- managing the business;
- portfolio optimisation and capital deployment; and
- growing the business.

Managing the business. The Company seeks to enhance shareholder value through endeavouring to plan and implement operating strategies that identify optimal ore body capability, applying appropriate methods and design ensuring efficient operating performance, detailed planning and scheduling, coupled with the application of best practices across all aspects of the production and service activities associated with each asset. Safe work practices and working in compliance with industry and company standards inform all aspects of the Company's business process. Successfully managing the business means delivering on the Company's commitments, which includes ensuring safe work practices, meeting production targets on time and within budget, managing the Company's costs and associated escalations, maximising revenues, which includes reducing the Company's hedge commitments, while also seeking to ensure that the Company's business partners share in the value creation process. A business improvement framework has been launched to enhance and improve the performance of the Company's core operations. The plan is designed to achieve a range of specific five-year targets:

- a reduction in accident rates;
- an improvement in productivity;
- a reduction in reportable environmental incidents;
- an increase in gold production to 6.0 million ounces;
- a reduction in real unit costs; and
- an increase in the return on investment to above 15 percent.

The Company will monitor progress on the execution of the plan and will report on this annually.

- **Safety & health.** Safety is the Company's first value, which is reflected in all leadership behaviours and is the foundation on which the Company builds all value enhancing processes in the business.
- **Managing costs.** The Company intends to manage its input costs taking into account revenues in order to protect margins and returns on capital employed. In particular:
 - the Company's development strategies will be applied to ensure it maintains operating margins over time and within the respective life cycle of assets. Initiatives include reviewing, and interventions to improve, mining practices, both at under-performing operations and to further improve performance at other operations; and
 - the Company endeavours to maintain core business costs below mean industry costs to ensure appropriate downside risk on cash flow and returns in a volatile price environment. These initiatives include the Company's global procurement efforts.
- **Revenues.** The Company seeks to ensure that it extracts full value from its products by maximising its revenue through the following initiatives:
 - the Company is currently committed to reducing its hedge book in order that its shareholders more fully benefit in gold price upside; and
 - where possible and appropriate, the Company supports the beneficiation of its products, so as to enhance value creation opportunities.

Portfolio optimisation and capital deployment. The Company also seeks to optimise its operations through effective capital deployment and asset management, supported by world class processes and skills, which encompass good safety standards.

- **Optimising capital deployment.** The Company seeks to allocate capital to leverage maximum value and returns from existing assets and growth opportunities. With the goal of most efficiently deploying capital effectively across its existing assets, the Company reviews and ranks internally each asset as part of the annual business planning process.
- **Asset management.** The Company is developing a management framework that will seek to ensure that maximum value is attained from each asset in its portfolio. The Company has developed a "pathway to value" and "business improvement" frameworks to highlight the key value drivers and opportunities at each of its operations. Value optimisation opportunities will be identified across the spectrum of scoping potential (exploration), operating strategy and optimisation, incorporating ore body capability, mining methods and design and operating performance. These strategies are to be developed through best practices with the aim of achieving an optimal output.

Growing the business. The Company seeks to further enhance shareholder value by:

- leveraging its current ground holdings and asset positions through greenfields exploration and brownfields exploration and development;
 - selectively pursuing merger and acquisition opportunities; and
 - maximising the value of other commodities within its existing and developing asset portfolio.
- *Greenfields and brownfields exploration and development.* The Company prioritises organic growth through greenfields exploration and brownfields exploration and development leveraging its current ground holding and asset position as the most value efficient path to growth. During 2009, greenfields exploration activities are being undertaken in six countries: Australia, China, Colombia, the Democratic Republic of Congo ("DRC"), the Philippines and Russia. Brownfields exploration and/or brownfields development is currently underway at all of the Company's operations.

Recent significant greenfields exploration successes include:

- *Colombia.* In Colombia, the Company has developed a "3 level participation model" comprising its own exploration initiatives, exploration joint ventures with established players and equity positions in other exploration companies that are also active in Colombia. The Company's land holding position in Colombia, which includes granted and tenements under application and including land held with its joint venture partners, is approximately 61,700 square kilometres. The Company's exploration initiatives in Colombia include La Colosa where drilling and Mineral Resource modelling has defined a Mineral Resource of 12.3 million ounces of gold.
- *Australia.* The Tropicana Joint Venture in which the Company holds a 70 percent interest covers approximately 12,500 square kilometres and which is located to the east and north-east of Kalgoorlie in Western Australia. Exploration has already defined a Mineral Resource of 5.0 million ounces at Tropicana and a pre-feasibility study is currently underway with completion anticipated in the second quarter of 2009. Reconnaissance exploration drilling is also continuing in parallel within the area of the Tropicana Joint Venture.
- *DRC.* Exploration activities undertaken in the Concession 40 tenement include the advancement of resource delineation drilling on the known mineralisation at the Mongbwalu deposit and drill testing of certain highest priority regional targets as well as other exploration within the Concession 40 tenement. A conceptual economic study for the Mongbwalu deposit was completed by the end of 2007 which defined a Mineral Resource of 2.9 million ounces and a pre-feasibility study has since commenced. The findings of the DRC Mineral Review Commission have resulted in the Company engaging the DRC government to seek resolution and secure the rights to Concession 40. The review has been concluded and the Company is awaiting feedback from the DRC government.

The Company intends to leverage its "first mover" positions in greenfields exploration, with the focus on building coherent regional portfolios, while continuing to access its land positions utilising, where possible, the "3 level participation model" as successfully implemented in Colombia.

Brownfields exploration, which is aimed at identifying ounces for production at or around existing mines, is being undertaken around all of the Company's current operations. In 2008, the brownfields exploration programme added a total of 27.5 million ounces to the Company's Mineral Resources and the most successful brownfields exploration programmes were undertaken in Ghana, the United States, Australia, Guinea and South Africa.

In 2009, exploration expenditure is expected to be approximately U.S.\$222 million, of which approximately U.S.\$148 million is expected to be spent on greenfields exploration and approximately U.S.\$74 million is expected to be spent on brownfields exploration. In 2008, exploration expenditure amounted to U.S.\$183 million, of which U.S.\$77 million was spent on greenfields exploration, U.S.\$86 million was spent on brownfields exploration and the balance of U.S.\$20 million was spent on feasibility studies.

Current key brownfields development initiatives approved or under consideration include the following projects:

- **Mponeng Ventersdorp Contact Reef ("VCR") below 120 Level project:** Approved in February 2007, this project entails exploiting the VCR ore reserves and Mineral Resources located below 120 Level at Mponeng and is estimated to recover 2.7 million ounces of gold with first production scheduled for 2013 and full production in 2015;
- **Mponeng Carbon Leader Reef ("CLR") below 120 Level project:** A study is in progress to exploit the CLR ore reserves and Mineral Resources located below 120 level at Mponeng. Initial estimates are that 10.6 million ounces of gold could be recovered from this project. The project is to be presented to the Board in July 2009 and, if approved, development will begin in August 2009 with production scheduled to start in 2022;
- **Maob Khotsong phase II (Zaaiplaats):** A study is underway on the optimal extraction of the ore body within the lower mine area of Maob Khotsong which will further extend the life of this operation;
- **Cerro Vanguardia:** During 2009, a study for underground mining beneath certain of the existing open pits at Cerro Vanguardia will commence. Development is anticipated to commence in 2009 with production scheduled to commence from 2010. It is estimated that 560,000 ounces of gold and 6.3 million ounces of silver could be recovered from these operations over the remaining life of the mine. In addition to this project, the previous study that considered the treatment of low-grade resources via heap-leach techniques will be reviewed and updated. It is estimated that this heap-leach project, if approved, will increase Cerro Vanguardia's gold production by around 25,000 ounces per annum;
- **Córrego do Sítio (including the São Bento mine):** The Córrego do Sítio underground sulphide project continues and it is estimated that this project will produce 90,000 ounces of gold annually with full production scheduled to begin in 2012. The acquisition of the São Bento mine, completed in December 2008, has the potential to double the scale and enhance the feasibility of the Córrego do Sítio Project;
- **Lamego:** Lamego is expected to produce 345,000 ounces of gold over nine years from mid-2009. The ore mined at Lamego will be treated at the Cuiaba mine, the capacity of which was recently expanded;
- **Obuasi and Obuasi Deeps:** Brownfields exploration and studies for the exploitation of the vast ore body below 50 level at Obuasi continue, in addition to business improvement initiatives and other mine design and operating plans to establish sustained improvements in operational performance and efficiencies in existing operations at Obuasi. Also at Obuasi, the tailings sulphide plant project, approved in April 2008, which entails the construction of a flotation circuit to enable the treatment of lower grade underground sulphide ore (than is being treated at the existing sulphide treatment plant) as well as the treatment of low grade surface stockpiles and tailings, is being completed. It is anticipated that this project could increase gold production at Obuasi by some 700,000 ounces over the life of the project;

- **Siguiri:** In addition to brownfields exploration to convert Mineral Resources to ore reserves, a second gravity concentrator and de-gritting facilities are to be installed during 2009 to increase gold recovery and mill throughput. Studies are underway to further increase plant throughput from 2010 onwards;
- **Navachab:** A dense media separation plant is to be incorporated into the mine's processing facilities. This is expected to substantially increase gold production at Navachab from 2010; and
- **Mine Life Extension projects at Cripple Creek & Victor:** The required permits have been granted from the State of Colorado and Teller County for the mine life extension project that includes the development of new sources of ore and an extension to the existing heap-leach facility. Development drilling has further defined areas of interest for which engineering analysis and permitting requirements will be evaluated in a pre-feasibility study for the mine life extension project to be commissioned in 2009.

In 2009, the Company estimates that the total cost to continue to fund its existing development projects, including those key projects listed above, will be approximately U.S.\$307 million out of total capital expenditure estimated for 2009 of U.S.\$840 million, which in addition to project capital expenditure also includes ore reserve development and stay-in-business capital expenditure.

- *Mergers and acquisitions.* The Company intends to continue to pursue value accretive acquisition opportunities with a view to enhancing its ground holding asset positions and its regional presence as well as achieving further growth in its business. Recent acquisitions have included GCGC, which owned a 33.33 percent interest in the Cripple Creek & Victor mine (now wholly-owned) and São Bento Gold Company Limited and its wholly-owned subsidiary São Bento Mineração (which holds the São Bento mine that is situated adjacent to, and is intended to be developed as part of, Córrego do Sítio).
- *Other commodities.* The Company produces uranium, silver and sulphuric acid as by-products of its existing gold production. The Company is increasing its uranium production with the upgrade of its existing uranium plant located at its Vaal River operations in South Africa, which upgrade will be commissioned in 2009, as well as the ramp up of gold production at Moab Khotsoeng (with a similar increase and ramp up of uranium production from this mine). Other uranium producing initiatives, primarily located at the Company's Vaal River operations are also under consideration.

For more detailed information about the Company and its business, please refer to Schedule A.

Legal proceedings

Notwithstanding the Company's involvement in the cases listed below, in the previous 12 months, there have been no governmental, legal or arbitration proceedings in which any member of the Group is or has been engaged, including any such proceedings which are pending or threatened of which the Company is aware, which may have, or have had during the recent past, a significant effect on the Company or its Group's financial position or profitability.

The Company is involved in the following cases:

- In South Africa, an action was instituted by Mr Thembekile Mankayi, claiming approximately ZAR2.6 million (approximately U.S.\$0.27 million) for damages allegedly suffered by him through contracting silicosis while employed in mines now owned by the Company. An exception was filed by the Company against the claim, which was argued at a hearing in February 2008 and upheld in the judgment delivered in June 2008. The plaintiff has been given leave to appeal the judgment, and a date is awaited for the appeal to be heard by the Supreme Court of Appeal. A similar action has been instituted by 19 plaintiffs against Anglo American Corporation of South Africa Limited ("AACSA") for damages resulting from lung

diseases that the plaintiffs allegedly contracted while employed by mining companies managed by AACSA. There is a possibility that AACSA may seek to recover a portion of any damages that may be awarded against it from the Company. Exceptions filed by AACSA against 10 actions were upheld. At present, nine actions remain. There is no indication at present of the merit of any such claim.

- In South Africa, action has been instituted by a group of the Company's pensioners against the Company for introducing a cap on post-retirement health care contributions by the Company. The Company maintains that its action is justifiable and fair given the circumstances and precedent. A summons has been issued by the plaintiffs demanding that the Company restore the level of contributions in place before the introduction of the cap. The Company has filed an exception to the summons on the basis of it being vague and embarrassing. The exception was heard on 18 February 2008 and dismissed. The Company is waiting for a court date.
- In Ghana, Westchester/Africore Limited instituted action against Ashanti Goldfields Company Limited in the High Court in Accra claiming damages for breach of an exploration and option agreement. A provision in the agreement states that the parties should settle the matter by arbitration under the Arbitration Act of Ghana. The plaintiffs have applied to pursue the matter through arbitration in Ghana.
- In Ghana, a group calling itself Ashanti Miners' Club, formed by ex-contract workers, is claiming that the Company should pay them compensation because their salaries were not aligned to salaries in the United States and that they should have been paid as permanent employees for the duration of their contracts with the Company. The matter was taken to arbitration, with the Ministry of Manpower Development and Employment in Ghana appointing a sole arbitrator to arbitrate and make an award. The award by the arbitrator was generally in favour of the Company. The plaintiffs took further action, claiming that they were dissatisfied with the findings and award of the arbitrator.
- In Ghana, Appiah Agyei Boateng and 272 others, claiming to be employees of the Company, petitioned the National Labor Commission ("NLC") for the payment of their gratuities. The basis of their claim was that they were at all material times employees of AngloGold Ashanti (Ghana) Limited and that they have been transferred to Mining and Building Contractors Limited ("MBC"), an independent construction firm, without their consent. MBC has appeared before the NLC and confirmed AngloGold Ashanti's position that the petitioners were at all material times the employees of MBC. On 20 August 2008, the NLC found in favour of the petitioners. The Company then initiated proceedings in the High Court seeking to have the NLC decision set aside. The court has adjourned the case to a date yet to be confirmed.
- In Ghana, R-Co made a claim against the Company in the Ghana Arbitration Centre in the amount of GBP1.63 million. The claim is in respect of alleged losses suffered by R-Co as a consequence of the Company terminating a supply contract under which R-Co provided certain personal protective equipment and related services to the Company. The point of disagreement between R-Co and the Company is in the interpretation of the limitation of liability clause of the supply contract. The Company's position is that R-Co is claiming losses that were not contemplated by the supply contract and did not mitigate any losses that would be recoverable under the supply contract.
- In Ghana, the Early Retirees Association has filed a petition against the Company before the National Labour Commission claiming that management of the Company misrepresented to members of the association that they could opt for early retirement and receive enhanced benefits and claiming that they would otherwise have chosen to leave the Company under its redundancy package. The Early Retirees Association is claiming as damages the difference between the actual payments made to them under their retirement packages and their expected redundancy packages (approximately U.S.\$1.8 million).
- In Tanzania, Joshua Manyelo and 36 others have instituted action against Geita Gold Mining Company ("GGM"), in a representative lawsuit whereby the claimants claim to have received

Tshs 185,045,482.00 in compensation but to be entitled to payment of Tshs 3.6 billion. The claimants are suing for the balance of Tshs 3.6 billion (approximately U.S.\$2.8 million). Leave to file a representative suit was granted and the matter has been set down for mention in the courts during 2009.

- In Tanzania, Jackson Manyelo and others have applied to file a representative suit against GGM. They claim to have been affected by the Katoma blasting, and they allege that they have suffered damages in the amount of Tshs 9.6 billion (approximately U.S.\$7.5 million). The application for a representative suit was granted and a suit has been filed.
- In Brazil, Mineração Serra Grande S.A. ("MSG"), the operator of the Crixas mine in Brazil has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export, including one assessment for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the State of Goiás through a branch located in a different Brazilian State, it must obtain an authorisation from the Goiás State Treasury by means of a Special Regime Agreement (Termo de Acordo re Regime Especial, or "TARE"). The MSG operation is co-owned with Kinross Gold Corporation. The Company's attributable share of the first assessment is approximately U.S.\$34 million. Although MSG requested the TARE in early 2004, the TARE, which authorised the remittance of gold to the Company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006. In November 2006, the administrative council's second chamber ruled in favour of MSG and fully cancelled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first assessment, and the Company's attributable share of the assessment is approximately U.S.\$21 million. The Company believes both assessments are in violation of federal legislation on sales taxes.

MANAGEMENT

Directors and Senior Management

Directors

The Company has a unitary board structure which currently comprises two executive directors and eight non-executive directors. Certain information with respect to the Company's directors as at 31 December 2008 is set forth below:

Name	Age	Position	Year first Appointed ⁽¹⁾
Mark Cutifani	50	Executive director and chief executive officer	2007
Srinivasan Venkatakrisnan	43	Executive director, and chief financial officer	2005 ⁽³⁾
Russell P Edey ⁽²⁾⁽³⁾	66	Independent non-executive director and chairman	1998
Thokoana J. (James) Motlatsi ⁽⁴⁾	57	Independent non-executive director and deputy chairman	1998
Frank B. Arisman ⁽²⁾	64	Independent non-executive director	1998
Reginald Bannerman ⁽⁵⁾	74	Independent non-executive director	2006
Joseph H Mensah ⁽²⁾⁽⁵⁾	80	Independent non-executive director	2006 ⁽³⁾
William (Bill) A Nairn	64	Independent non-executive director	2001
Lumkile W (Wiseman) Nkuhlu ⁽²⁾⁽⁶⁾	64	Independent non-executive director	2007
Sipho M Pityana	49	Independent non-executive director	2004

(1) *Directors who do not have a contract of employment with the Company (non-executive directors) serve for a period of three years unless re-elected. At each annual general meeting, directors appointed since the previous annual general meeting are required to retire, but are eligible for re-election. In addition, one-third of the non-executive directors (rounded down to the next whole number), must retire according to seniority or by lot but may be re-elected.*

(2) *Member of the Audit and Corporate Governance Committee.*

(3) *Appointed as chairman with effect from 1 May 2002.*

(4) *Appointed as deputy chairman with effect from 1 May 2002.*

(5) *Directors that have given notice that they will be retiring from the board at the conclusion of the annual general meeting to be held on 15 May 2009.*

(6) *Advised the Company of his intention to resign from the board effective from the close of the meeting held on 5 May 2009 to approve the filing with the SEC of the Company's 2008 annual report on Form 20-F.*

Executive directors

Mr M Cutifani (50) (Australian) BE (Min. Eng)

Chief Executive Officer

Mark Cutifani was appointed to the board of the Company on 17 September 2007 and as Chief Executive Officer on 1 October 2007. He is chairman of the Executive Committee and a member of the Transformation and Human Resources Development, Safety, Health and Sustainable Development, and Investment committees.

Mark has considerable experience in gold mining, having been associated with the industry since 1976. Prior to joining the Company, he held the position of Chief Operating Officer at CVRD Inco, a Toronto-based company, where he was responsible for Inco's global nickel business.

Mr S Venkatakrisnan (Venkat) (43) (British) BCom, ACA (ICAI)

Chief Financial Officer

Venkat joined the Company on 1 July 2004 from Ashanti Goldfields Company (Ashanti) where he was Chief Financial Officer until that company's merger with AngloGold Limited in May 2004. He was appointed to the board on 1 August 2005 and is a member of the Executive and Investment committees and is invited to attend meetings of the Audit and Corporate Governance Committee. He is a member of the Treasury Committee, a sub-committee of the Audit and Corporate Governance committee.

Venkat has extensive financial experience, having been a director in the Reorganisation Services Division of Deloitte & Touche in London prior to joining Ashanti in 2000.

Non-Executive directors

Mr RP Edey (66) (British) FCA

Chairman and independent non-executive

Russell Edey was appointed to the board of the Company on 1 April 1998, as Deputy Chairman on 11 December 2000 and as Chairman on 1 May 2002. Based in the United Kingdom, he is a non-executive director of Old Mutual plc, a member of the Conseil de Surveillance of Paris Orleans SA and a non-executive director of a number of companies within the NM Rothschild Group. Mr Edey is chairman of the Investment and Nominations committees and a member of the Audit and Corporate Governance and Remuneration committees.

Dr TJ Motlatsi (57) (South African) Hon DSoc Sc (Lesotho)

Deputy Chairman and independent non-executive

James Motlatsi was appointed to the board of the Company on 1 April 1998 and as Deputy Chairman on 1 May 2002. He is chairman of the Transformation and Human Resources and Development and the Political Donations Committee and a member of the Safety, Health and Sustainable Development and Remuneration committees.

James has substantial experience in and knowledge of the mining industry in general and of South Africa in particular. His association with the industry in South Africa spans more than 30 years in various positions including past president of the National Union of Mineworkers. He is the Executive Chairman of TEBA Limited, a service organisation primarily responsible for the recruitment of mineworkers for the South African mining industry.

Mr FB Arisman (64) (American) MSc (Finance)

Independent non-executive

Frank Arisman joined the board of the Company on 1 April 1998. He serves on four board committees: Transformation and Human Resources and Development, Audit and Corporate Governance, Nominations and Remuneration. He is a member of the Treasury Committee, a sub-committee of the Audit and Corporate Governance Committee. In 2008, he chaired the Financial Analysis Committee, a special purpose committee of the board set up to consider the funding needs of the Company.

Frank, who resides in the USA, has a rich background in management and finance through his experiences at J.P. Morgan where he held various positions and retired as Managing Director after 32 years of service.

Mr RE Bannerman (74) (Ghanaian) MA (Oxon), LL.M (Yale)

Independent non-executive

Reginald Bannerman became a Director of the Company on 10 February 2006. He is a member of the Remuneration, Nominations and Transformation and Human Resources and Development committees.

Reginald has a legal background and has been in law practice for more than 50 years and is currently the principal partner at Messrs Bruce-Lyle, Bannerman & Thompson Attorneys, one of the leading private law firms in Ghana, and a member of the General Legal Council of Ghana. He is also on the board of the Valco Trust Fund, the largest privately-run trust in Ghana. A former lecturer in law at the Ahmadu Bello University in Nigeria, he was also formerly the mayor of Accra, the capital city of Ghana. Resident in Ghana, Reginald assists the board in matters affecting the Company's activities in that country.

Mr JH Mensah (80) (Ghanaian) MSc (Economics, London University)

Independent non-executive

Joseph Mensah was appointed a member of the Company's board on 4 August 2006, and is a member of the Audit and Corporate Governance, Investment, Safety, Health and Sustainable Development and Nominations committees. Joseph, a Ghanaian resident, has extensive experience in politics and international and local economic management. He was the Minister of Finance and Economic Planning

of Ghana and a member of parliament from 1969 to 1972. He worked with a number of local and international development agencies including being a member of the African Advisory Council of the African Development Bank from 1993 to 1997. Until December 2008, he was chairman of the National Development Planning Commission in Ghana and a member of the Ghana Parliament representing the Sunyani East constituency.

Mr WA Nairn (64) (South African) BSc (Mining Engineering)

Independent non-executive

Bill Nairn has been a member of the board of the Company since 1 January 2000 and chairs the Safety, Health and Sustainable Development Committee and is a member of three other committees: Transformation and Human Resources and Development, Investment and Nominations. Bill, a mining engineer, has considerable technical experience having been the group technical director of Anglo American plc until 2004 when he retired from the company. Having completed the three-year cooling period, Bill is now considered an independent non-executive director of the Company.

Prof LW Nkuhlu (64) (South African) BCom, CA (SA), MBA (University of New York)

Independent non-executive

Wiseman Nkuhlu was appointed to the board on 4 August 2006. He has been the chairman of the Audit and Corporate Governance committee since 5 May 2007, having served as deputy chairman from 4 August 2006. He also serves as a member of the Nominations, Political Donations and Remuneration committees. In addition, he is the chairman of the Treasury Committee, a sub-committee of the Audit and Corporate Governance Committee. Wiseman, a respected South African academic, educationalist, professional and business leader, served as Economic Adviser to the former President of South Africa, Mr Thabo Mbeki, and as Chief Executive of the Secretariat of the New Partnership for Africa's Development ("NEPAD") from 2000 to 2005. From 1989 to 2000, he served as a director on a number of major South African companies, including Standard Bank, South African Breweries, Old Mutual, Tongaat Hulett, BMW and JCI. Wiseman was President of the South African Institute of Chartered Accountants from 1998 to 2000 and Principal and Vice Chancellor of the University of Transkei from 1987 to 1991. He is currently the Chairman of Pan African-Capital Holdings (Pty) Limited, a South African company that focuses on research and investments, fund management and private equity, and Kagiso Trust Investments. He is also a member of the board of Datatec Limited. He was elected President of the Geneva-based International Organisation of Employers ("IOE") in May 2008 for a period of two years. He is a member of the Financial Crisis Advisory Group of the IASB and FASB.

Mr SM Pityana (49) (South African) BA (Hons) (Essex), MSc (London); Dtech (Honoris) (Vaal University of Technology)

Independent non-executive

Sipho Pityana joined the board of the Company on 13 February 2007 and assumed the chairmanship of the Remuneration Committee on 1 August 2008. He is a member of the Safety, Health and Sustainable Development, Political Donations, Investment, Nominations and the Transformation and Human Resources Development committees. Sipho has extensive experience in management and finance, and has occupied strategic roles in both the public and private sectors, including that of Director General of the national Departments of both Labour and Foreign Affairs. He was formerly a senior executive of Nedbank Limited and is currently the executive chairman of Izingwe Holdings (Proprietary) Limited, a local empowerment group and a significant investor in mining, engineering, infrastructure and logistics, and the Company's BEE partner. He serves as a non-executive director on the boards of several other South African companies.

Board movements during 2008

Mrs E le R Bradley retired on 6 May 2008.

Mr S R Thompson resigned on 28 July 2008.

In terms of the Company's memorandum and articles of association, there is no mandatory resignation age for directors. Non-executive directors do not hold service contracts with the Company.

In accordance with the articles of association of the Company, all non-executive directors must retire at least once every three years by rotation and may be re-elected by shareholders. At the annual general meeting held on 6 May 2008:

- Dr T J Motlatsi, Mr W A Nairn and Mr S M Pityana retired by rotation and having made themselves available, were re-elected to the board by shareholders.
- Mr M Cutifani who was appointed to the board of directors prior to the annual general meeting, was appointed by the shareholders.
- Mrs E le R Bradley, retired from the board.

At the annual general meeting to be held on 15 May 2009, Mr R P Edey will retire by rotation and has offered himself for re-election by shareholders. Subsequent to the posting of the IFRS annual report to shareholders on 27 March 2009, Messrs J H Mensah and R E Bannerman have given notice that they will be retiring from the board at the conclusion of the annual general meeting to be held on 15 May 2009. In addition, Prof L W Nkuhlu, chairman of the Audit and Corporate Governance Committee, resigned from the board at the conclusion of the meeting held on 5 May 2009 to approve the filing with the SEC of the Company's annual report on Form 20-F.

Executive committee

This committee, chaired by Mr Cutifani, the chief executive officer, is responsible for overseeing the day-to-day management of the Company's affairs and for executing the decisions of the board. The committee meets at least monthly and is actively involved in the strategic review of the Company's values, safety performance, operation and exploration profiles and financial status.

The business experience and functions of the executive committee members of the Company, as at 31 December 2008, are as follows.

Dr CE Carter (46) BA (Hons), DPhil, EDP

Executive Vice President – Business Strategy

Charles Carter has worked in the mining industry since 1991, in South Africa and the United States in a range of corporate roles with Anglo American Corporation, RFC Corporate Finance and the Company. He was appointed Executive Vice President – Business Strategy in December 2007, responsible for corporate strategy and business planning, risk management and investor relations.

Mr RN Duffy (45) BCom, MBA

Executive Vice President – Africa

Richard Duffy joined Anglo American in 1987 and in 1998 was appointed executive officer and managing secretary of AngloGold. In November 2000, he was appointed head of business planning and in 2004 assumed responsibility for all new business opportunities globally. In April 2005, this role was expanded to include greenfields exploration. He was appointed to the Executive Committee in August 2005. Richard was appointed as Executive Vice President – Africa in July 2008.

Mr GJ Ehm (52) BSc Hons, MAusIMM, MAICD

Executive Vice President – Australasia

Graham Ehm has, since 1979, gained diverse experience in mine operations and project management, covering the nickel, phosphate, copper, uranium and gold sectors. He was appointed General Manager of Sunrise Dam Gold Mine in 2000, Regional Head – Australia in 2006, and took up his current role as Executive Vice President – Australasia in December 2007.

Mr RW Largent (48) BSc (Min. Eng), MBA

Executive Vice President – Americas

Ron Largent has been with the Company since 1994. He is a board member of the Colorado Mining Association in Denver and has served on the board of directors for the California Mining Association and the Nevada Mining Association. In 2001, he was appointed as General Manager of the Cripple Creek &

Victor Gold Mine and took up his current role as Executive Vice President – Americas in December 2007.

Mr RL Lazare (52) BA, HED, DPLR, SMP

Executive Vice President – Human Resources

Robbie Lazare joined Anglo American Gold and Uranium Division in 1982, working in a variety of management posts until 1999 when he was appointed general manager of TauTona. In December 2004, he was appointed an executive officer with responsibility for South African operations and in July 2008, Executive Vice President – Human Resources.

Mr MP Lynam (47) BEng (Mech)

Vice President – Finance, Treasury and Company Secretarial

Mark Lynam joined the Anglo American group in 1983 and has been involved in the hedging and treasury area since 1990. In 1998, he joined AngloGold as treasurer and was appointed an executive officer in May 2004. He was appointed as Vice President – Finance, Treasury and Company Secretarial in July 2008.

Mr AM O'Neill (51) BSc (Mining Engineering), MBA

Executive Vice President – Business and Technical Development

Tony O'Neill joined the Company in July 2008 as Executive Vice President – Business & Technical Development, having consulted to the Company prior to this on its asset portfolio strategy. His extensive career in mining since 1978 includes the role of Executive – Operations at Newcrest Mining Limited and Executive General Manager for gold at Western Mining Corporation.

Mr TML Setiloane (49) FAE, BSc (Mech Eng)

Executive Vice President – Sustainability

Thero Setiloane joined AngloGold in May 2003 from Real Africa Holdings, where he had been an executive director. He is the chairman of Rand Refinery Limited. He was appointed an executive officer and a member of the Company's Executive Committee in February 2006 and as Executive Vice President – Sustainability in December 2007.

Ms YZ Simelane (43) BA LLB, FILPA, MAP

Vice President – Government Relations

Yedwa Simelane joined AngloGold in November 2000 from the Mineworkers' Provident Fund where she was the senior manager of the Fund. She was appointed an executive officer in May 2004 and Vice President – Government Relations in July 2008.

Mr NW Unwin (56) BA

Executive Vice President – Corporate Services

Nigel Unwin joined Anglo American as a trainee in human resources in 1974 and spent 18 years in operations and corporate roles. He then worked in the retail sector for seven years before joining AngloGold in 1999 as an executive officer. Following the acquisition of Acacia Resources by AngloGold at the end of 1999, he managed the integration of the two companies in Australia before taking over the Human Resources and Information Technology portfolios in 2001. He was appointed Executive Vice President – Corporate Services in July 2008.

Executive management movements during 2008

Peter Rowe retired from the Executive Committee on 30 June 2008. His roles and responsibilities were assumed by Tony O'Neill.

Office of the Company Secretary

Ms L Eatwell (54) FCIS

Lynda Eatwell joined AngloGold in 2000 as assistant company secretary and was appointed company secretary in December 2006. She is responsible for ensuring compliance with statutory and corporate governance requirements and the regulations of the stock exchanges on which the Company is listed.

Competent Persons

As part of its suite of annual reports, the Company produces a Mineral Resource and Ore Reserves statement that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by the Competent Persons.

During the past decade, the Company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resources and Ore Reserves. A documented chain of responsibility exists from the Competent Persons at the operations to the Company's Mineral Resource and Ore Reserves Steering Committee. Accordingly, the Chairman of the Mineral Resources and Ore Reserves Steering Committee, V A Chamberlain, assumes responsibility for the Mineral Resource and Ore Reserve processes for the Company and is satisfied that the Competent Persons have fulfilled their responsibility.

VA Chamberlain (46) — MSc (Mining Engineering), BSc (Hons) (Geology), MAusIMM

Vaughan has 23 years experience and holds a Bachelor of Science (Honours) degree in Geology from the University of Natal and a Masters degree in Mining Engineering from the University of the Witwatersrand. He started his career with Anglo American Corporation in 1987 as a geologist at Western Deep Levels East Mine (now TauTona mine). He joined AngloGold in 1998 and currently holds the position of Vice President – Geosciences and is chairman of the Mineral Resources and Ore Reserves Steering Committee.

Conflicts of Interest

To the best of the knowledge and belief of the Company (which has taken all reasonable care to ensure that such is the case), there are no actual or potential conflicts of interest between the private interests of any of the individuals who form part of the Company's senior management and its administrative, management and supervisory bodies and the duties that such individuals owe to the Company.

Compensation

Remuneration Report

The Remuneration Committee sets and monitors executive remuneration for the Company, in line with the executive remuneration policy. This policy has as its objectives to:

- attract, reward and retain executives of the highest calibre;
- align the behaviour and performance of executives with the Company's strategic goals, in the overall interests of shareholders;
- ensure the appropriate balance between short-, medium- and long-term rewards and incentives, with the latter being closely linked to structured performance targets and strategic objectives that are in place from time to time; and
- ensure that regional management is competitively rewarded within a global remuneration policy, which recognises both local and global market practice.

In particular the Remuneration Committee is responsible for:

- the remuneration packages for executive directors of the Company including, but not limited to, basic salary, performance-based short- and long-term incentives, pensions and other benefits; and
- the design and operation of the Company's executive share option and other incentive schemes.

Remuneration Committee

During 2008, members of the Committee comprised the following non-executive directors:

- Siphon Pityana (appointed chairman effective 1 August 2008)
- Russell Edey (chairman up to 31 July 2008)
- Reginald Bannerman
- Prof Wiseman Nkuhlu
- Frank Arisman
- Dr James Motlatsi

All meetings of the committee are attended by the chief executive officer and executive vice president – human resources, except when their own remuneration or benefits are being discussed. The services of Deloitte & Touche are retained to act as independent, expert advisers on executive remuneration.

The following principles are applied in determining executive remuneration:

- Annual remuneration is a combination of base pay and short-, medium- and long-term incentives, with salary comprising about 50 percent of annual remuneration if the bonus and LTIP targets are achieved.
- Salary is set at the median for the relevant competitive market.
- All incentive plans align performance targets with shareholder interests.

Bonus Share Plan ("BSP") and Long-Term Incentive Plan ("LTIP")

BSP

Shareholders approved the introduction of two new plans to replace the old share incentive scheme at the annual general meeting held on 29 April 2005. The purpose of both schemes is to align the interests of shareholders and the efforts of executives and managers.

To the extent that structured Company performance targets are achieved, the BSP allows for the payment of an annual bonus, paid partly in cash and partly in rights to acquire shares.

The BSP scheme was revised in 2008, with the approval of shareholders, to increase the maximum bonus quantum (and the accompanying share award) for all levels of participants. In the case of the CEO and CFO, the maximum bonus earning opportunity was increased to 160 percent and 140 percent, respectively. The vesting period for the bonus shares was also altered with part of the award vesting after the first and second years and an enhancement after a third year if the shares are not sold before the end of year three. The split between Company and individual performance in determining the bonus at executive level was also changed to 60 percent Company and 40 percent individual.

LTIP

The LTIP allows for the granting of rights to acquire shares, determined by the achievement of stretched Company performance targets over a three-year period. These targets are based on the performance of earnings per share ("EPS") and relative total shareholder return ("TSR"), whereby the Company will need to consistently outperform its gold company peers. Additionally, certain strategic business objectives, which the Remuneration Committee determines from time to time, will also need to be met. For 2008 strategic business objectives set by the Remuneration Committee includes safety improvement targets and reserve and resource ounce generation.

Executive Remuneration

Executive director remuneration currently comprises the following elements:

- Basic salary, which is subject to annual review by the Remuneration Committee and is set in line with the median of salaries in similar companies in the relevant markets both in South Africa and globally. The individual salaries of executive directors are reviewed annually in accordance with their own performance, experience, responsibility and Company performance.
- Annual bonus, which is determined by the achievement of a set of stretched Company and individual performance targets. For 2008, the Company targets were based on performance measures including safety, EPS, cost control and gold production. The weighting of the respective contribution of Company and individual targets is 60 percent Company and 40 percent individual. 50 percent of the bonus is paid in cash and 50 percent in the awarding of rights to acquire shares in terms of the BSP.
- LTIP: The CEO and CFO are granted the right to acquire shares of value equivalent to 120 percent and 100 percent of their annual salaries, respectively, subject to the achievement of stretched Company performance targets over a three-year period. These targets are based on the performance of EPS and TSR, whereby the Company will need to consistently outperform its gold company peers. Additionally, strategic business objectives will also need to be met.

In 2005, the first grant of LTIP awards was made to executive directors and executive and senior management. When the LTIP awards vested at the end of 2007, only one performance target was achieved, resulting in a vesting of 40 percent of awards granted, with the balance lapsing. The LTIP awards granted in 2006 will vest on 31 July 2009 and based on the performance targets achieved, 40 percent of awards granted will vest in respect of executive directors and executive management and 45 percent of awards granted will vest for other management with the balance lapsing.

At the discretion of the Remuneration Committee, cash payments, equal in value to the dividends which would have been paid on an award of actual shares during the vesting period, were made when the BSP awards of 2006 vested. A cash payment will also be made when the LTIPs awarded in 2006 vest end-July 2009.

- **Pensions and Risk Benefits:** Executive directors belong to the Company's pension fund. However, executive directors who are non-South African citizens have the option of electing a retirement benefit in their country and currency of choice, in which case, the Company contributes an amount equal to the contribution made for other Company executives. Death and disability cover reflects best practice amongst comparable employers in South Africa.
- **Other benefits:** Executive directors are members of an external medical aid scheme, which covers the director and his immediate family.

Directors' Service Contracts

Service contracts of executive directors are reviewed annually. Mark Cutifani, as chief executive officer, has an initial contract of 24 months, but with a 12-month notice period. The notice period for the chief financial officer, Srinivasan Venkatakrisnan, is nine months. The contracts also deal with compensation if an executive director is dismissed or if there is a material change in role, responsibilities or remuneration following a new shareholder assuming control of the Company.

Compensation of Executive Directors and Executive Management

Under the Listings Requirements of the JSE, the Company is required to disclose compensation paid to its executive directors on an individual basis while compensation paid to its executive officers/executive management is disclosed in aggregate.

The following table presents the compensation paid by the Company to executive management during 2008 and 2007. Executive directors have elected not to receive payment of directors' fees, committee fees and travel allowances.

Executive Directors' and Executive Management Remuneration

Executive director and executive management remuneration is made up as follows:

All figures in ZAR000	Appointed with effect from(1)	Resigned/retired with effect from(1)	Salary	Compensation and recruitment(2)	Performance related payments(3)	Pension scheme contributions benefits(4)	Other benefits(4)	En-cashed leave (5)	Sub total	Pre-tax gains on share options exercised	Total
Executive directors' remuneration 2008											
M Cutifani	Full year		9,513	–	5,877	1,477	24	–	16,891	–	16,891
S Venkatakrishnan (7)	Full year		5,585	–	3,613	1,004	–	–	10,202	1,837	12,039
			15,098	–	9,490	2,481	24	–	27,093	1,837	28,930
Executive management's remuneration 2008											
Representing 11 executive management(7)			31,771	–	14,541	5,135	1,194	496	53,137	1,584	54,721
Total executive directors, and executive management remuneration 2008			46,869	–	24,031	7,616	1,218	496	80,230	3,421	83,651

All figures in ZAR000	Appointed with effect from(1)	Resigned/retired with effect from(1)	Salary	Compensation and recruitment(2)	Performance related payments(3)	Pension scheme contributions benefits (4)	Other benefits (4)	En-cashed leave(5)	Sub total	Pre-tax gains on share options exercised	Total
Executive directors' remuneration 2007											
M Cutifani	17 Sep 07		1,594	15,197	963	–	704	–	18,458	–	18,458
R Carvalho Silva(6)		Sep 30, 07	4,468	20,240	1,001	2,121	1,594	1,496	30,920	4,574	35,494
RM Godsell		Sep 30, 07	5,029	9,794	–	763	92	1,853	17,531	35,664	53,195
NF Nicolau		Nov 12, 07	4,925	16,688	958	783	826	125	24,305	2,367	26,672
S Venkatakrishnan	Full year		4,563	–	1,714	774	–	244	7,295	–	7,295
			20,579	61,919	4,636	4,441	3,216	3,718	98,509	42,605	141,114
Executive officers' remuneration to 30 November 2007											
Representing 15 executive officers			28,400	–	6,219	3,590	259	670	39,138	11,483	50,621
Executive officers' remuneration from December 1, 2007											
Representing 10 executive officers			2,422	–	513	299	43	360	3,637	–	3,637
Total executive directors, executive officers and executive management remuneration – 2007			51,401	61,919	11,368	8,330	3,518	4,748	141,284	54,088	195,372

Rounding of figures may result in computational discrepancies.

(1) Salaries are disclosed only for the period from or to which office was held except in respect of Messrs Godsell, Carvalho Silva and Nicolau, which amounts reflect total payments made to the date of the 2007 report.

- (2) Compensation and recruitment expenses relate to the once-off payments made to Messrs Godsell, Carvalho Silva and Nicolau on their retirement/q1 from the board and Company, and to Mark Cutifani on his appointment as chief executive officer.
- (3) In order to more accurately disclose remuneration received/receivable by executive directors and executive management, the tables above include the performance related payments calculated on the year's financial results.
- (4) Includes health care, personal travel and relocation expenses, and in respect of Mr Carvalho Silva, a compulsory payment to an unemployment insurance fund and a medical promise payout in respect of Mr Nicolau.
- (5) In 2005, the Company altered its policy regarding the number of leave days that may be accrued. As a result, surplus leave days accrued are compulsorily encashed.
- (6) Mr Carvalho Silva's earnings were paid in Brazilian real and U.S. dollars. For the purposes of this annual report, values have been converted to South African rands using the monthly average rates of exchange.
- (7) Mr Venkatakrishnan applied all of the proceeds after tax from the sale of his share options to acquire 4,569 shares in the Company. Of the 15,563 share options exercised by the executive management, the proceeds from the sale of 12,963 options were used to acquire 2,304 shares in the Company.

Compensation of Non-Executive Directors

The fees of non-executive directors are fixed by shareholders at the annual general meeting, and other than the fees they receive for their participation on board committees and an allowance for travelling internationally to attend board meetings, non-executive directors receive no further payments from the Company.

There are no contracts of service between the non-executive directors and the Company or any of its subsidiaries. All directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

The following table presents the compensation paid by the Company to each non-executive director during 2008 and 2007.

Non-Executive Directors' Remuneration

The following table details fees and allowances paid to non-executive directors:

All figures in R000(1)	Appointed with effect from(2)	Resigned/retired with effect from(2)	Directors' fees(3)	Com- mittee fees	Travel(4)	Total	Directors' fees(3)	Com- mittee fees	Travel(4)	Total
			2008				2007			
RP Edey (Chairman)			1,274	266	219	1,759	1,005	220	128	1,353
Dr TJ Motlatsi (Deputy chairman)			360	160	–	520	335	186	–	521
FB Arisman			212	275	170	657	141	212	128	481
RE Bannerman			212	100	219	531	150	107	128	385
Mrs E le R Bradley		6 May 08	45	42	–	87	125	195	–	320
CB Brayshaw		5 May 07	–	–	–	–	46	78	–	124
Mrs C Carroll	5 May 07	9 Oct 07	–	–	–	–	29	–	–	29
Dr SE Jonah (President)		12 Feb 07	–	–	–	–	90	62	–	152
R Médori		9 Oct 07	–	–	–	–	107	–	–	107
JH Mensah			212	175	170	557	150	77	128	355
WA Nairn			135	160	–	295	125	157	–	282
Prof WL Nkuhlu			135	225	–	360	125	110	–	235
SM Pityana	13 Feb 07		135	279	–	414	115	109	–	224
SR Thompson		28 July 08	117	133	40	290	141	92	64	297
AJ Trahar		5 May 07	–	–	–	–	48	38	–	86
Total – non-executive directors			2,837	1,815	818	5,470	2,732	1,643	576	4,951

			Directors' fees(3)	Com- mittee fees	Travel(4)	Total	Directors' fees(3)	Com- mittee fees	Travel(4)	Total
Alternates										
PG Whitcutt		9 Oct 07	-	-	-	-	-	33	-	33
Total – alternate directors			-	-	-	-	-	33	-	33
Grand total			2,837	1,815	818	5,470	2,732	1,676	576	4,984

Rounding may result in computational differences.

(1) Where directors' compensation is in dollars, the amounts reflected are the actual South African rand values paid calculated using the ZAR/\$ rate of exchange at the time.

(2) Fees are disclosed only for the period from, or to which, office is held.

(3) At the annual general meeting of shareholders held on 4 May 2007, shareholders approved an increase in directors' fees with effect from 1 May 2007:

- Chairman – U.S.\$150,000 per annum
- Deputy chairman and president – ZAR360,000 per annum
- South African resident directors – ZAR135,000 per annum
- Non-resident directors – U.S.\$25,000 per annum

The non-executive directors' remuneration was last adjusted in 2007 and as a result, has lagged behind that of a comparator group of companies, both locally and globally. In order to continue to attract individuals of high calibre to serve as non-executive directors, and to enable the Company to achieve its strategic objectives, a proposal to adjust the non-executive directors' remuneration in line with the market and the Company's business strategy will be tabled at the annual general meeting to be held on 15 May 2009.

(4) A payment of a travel allowance of U.S.\$5,000 per meeting is made to non-executive directors who travel internationally to attend board meetings. In addition, the Company is liable for the payment of all travel costs.

Executive directors do not receive payment of directors' fees or committee fees.

Board practices and Corporate Governance

Introduction

Corporate governance is the responsibility of the board as a whole and is guided by the Company's Memorandum and Articles of Association, the Board Charter, the South African Companies Act 61 of 1973, as amended, and the United States' Sarbanes-Oxley Act of 2002, the Listing Requirements of the JSE Limited and other stock exchanges on which the Company is listed, as well as various corporate governance guidelines such as those provided by the King Code and the Global Reporting Initiative. Various other legislations and governance standards also guide the Company's legal and disclosure obligations.

Day-to-day responsibility for corporate governance is overseen by management which regularly reports to the various committees of the board. The board chairman and the chairman of the Audit and Corporate Governance Committee play an active role in the corporate governance issues faced by the Company through regular interaction with executive directors, senior management and other interested parties where necessary.

The JSE Limited's Listings Requirements require the Company to disclose its compliance with the King Code and explain any areas of non-compliance. The King Code is a set of guidelines on best practice in corporate governance aimed at promoting the highest standards of governance in South Africa. The Company complies with all material aspects of the King Code and has done so in relation to its last completed financial year. The areas of non-compliance and the reasons for non-compliance are as follows: the chairman of the board is a member of the Audit and Corporate Governance Committee owing to his considerable knowledge of technical matters, risk management and corporate governance. The Company also complies with all relevant provisions of the United States' Sarbanes-Oxley Act (as described below).

Code of ethics and whistle blowing policy

In order to comply with the Company's obligations in terms of the Sarbanes-Oxley Act of the United States and the King Code of South Africa, and in the interests of good governance, the Company has systems and procedures to introduce, monitor and enforce its ethical codes and has adopted a code of ethics for employees, a code of ethics for senior financial officers, and a whistle-blowing policy that encourages employees and other stakeholders to confidentially and anonymously report acts of an unethical or illegal nature affecting the Company's interests. Both codes and the whistle-blowing policy are available on the Company's website.

Significant corporate governance milestones achieved by the Company during the year:

- inclusion in the JSE Sustainability Index 2008 and was nominated as one of the sixteen "Best Performers" in the 2008 index; and
- overall winner of the Southern African Institute of Chartered Secretaries and Administrators and the JSE Limited's Annual Report Award.

The Board of Directors

The board has a unitary structure and comprises 10 members who assume overall responsibility for the activities of the Company, including the entire risk management framework and corporate governance of the Company. The board has a written charter that governs its powers, functions and responsibilities and covers the following pertinent areas:

- Authority of the board
- Directors' appointments
- Role and responsibility of the board
- Procedures of the board
- Board committees
- Matters reserved for board decision
- Management of risks
- Corporate governance
- Remuneration issues
- Evaluation of board performance and induction of new directors
- Declaration of interests

The board contains the mix of skills, experience and knowledge required of a multinational gold mining company.

Directors' retirement follows a staggered process with one-third of non-executive directors retiring at least every three years at the annual general meeting. A curriculum vitae of each director standing for election or re-election is made available to shareholders prior to the annual general meeting to assist in their deliberations. The board is authorised by the Company's articles of association to appoint new directors, on recommendation by the Nominations Committee, provided such appointees retire at the next annual general meeting and stand for election by shareholders.

Executive directors are appointed by the board to oversee the day-to-day running of the Company. Executive directors are held accountable by regular reporting to the board, and their performance is measured against pre-determined criteria.

Only executive directors have contracts of employment with the Company. There are no contracts of service between the directors and the Company, or any of its subsidiaries that are terminable at periods of notice exceeding one year or that require payment of compensation on termination. Non-executive directors do not hold service contracts with the Company.

Non-executive directors provide the board with advice and experience that is independent of management and the executive. The presence of independent directors on the board, and the critical role they play as board representatives on key committees such as the Audit and Corporate Governance, Nominations, Political Donations and Remuneration committees, ensures that the Company's interests are served by impartial views that are separate from those of management and shareholders.

In October 2008, the board reviewed its definition and criteria for determining which of its members qualify as being independent from a corporate governance perspective. That definition is replicated below:

Policy on determining the independence of board members

The Company subscribes to a policy of sound corporate governance practices informed by the requirements set in terms of applicable stock exchanges on which the Company is listed, and particularly that of the Johannesburg and New York Stock Exchanges, as well as legislative imperatives of securities and companies laws and governance standards such as the King Code. The board will at all times comply with the requirement to consist of a majority of independent directors and this policy statement will describe the criteria that will guide the board in determining which of its members are independent from a corporate governance point of view. The board retains an inherent discretion to determine the independence of its directors on a case by case basis taking into account the totality of the facts and the criteria established in this policy. Where the board, exercising its discretion and having considered all relevant facts, determines a director to be independent despite not meeting the criteria established in this policy, the board will fully disclose its reasoning in appropriate public reports.

The test of independence that will be used by the board of the Company to determine the independence of its members is based on the following:

1. An independent director is a non-executive director of the board who:
 - (a) is not a representative or officer of a significant shareholder of the Company. For purposes of this policy the term "significant shareholder" means a shareholder who owns, directly or indirectly, more than 5 percent of the Company's issued share capital or a shareholder who has the ability to influence the decisions of the board and/or management. The term "officer" shall mean a director or company secretary of the shareholder, any person identified as an officer according to the requirements of any relevant laws; any person who has the capacity to influence significant business and/or financial decisions of the shareholder (including decisions affecting the relationship with the Company) or who is appointed to any capacity within the shareholder by its board or any of its board committees;
 - (b) has not been employed in an executive capacity by the Company or the Group for the preceding three financial years. For purposes of this policy the term "executive capacity" means any employee whose appointment requires the approval of the Remuneration Committee, Nominations Committee or the Audit and Corporate Governance Committee of the board;
 - (c) has not been the auditor of the Company for the preceding three financial years;
 - (d) is not a professional adviser to the Company other than in his or her capacity as a director of the Company;

- (e) does not have a material interest in a contract with the Company or is not employed by a company that has a material interest in a contract with the Company. For purposes of this policy the term "material interest in a contract" means, as a guideline, any contract which is:
 - (i) The greater of 0.5 percent of the Company's total gross revenue in the preceding financial year or U.S.\$20 million whichever is the greater; and
 - (ii) Even if the limit mentioned in (i) above is not exceeded, the board will consider whether the contract is deemed material to either contracting side taking into account all relevant facts including (but not limited to) the value of the contract relative to the total business of each party and the importance of the business relationship to the parties.
 - (f) is free of any other business or other relationship which could be perceived to materially interfere with the individual's capacity to act independently of other board members, management or the individual's own interests;
 - (g) receives remuneration for services as a director in the form of cash and shares (but not share options); and
 - (h) objectively conducts himself or herself in a manner displaying independence of thought, judgment and action.
2. For purposes of determining the independence of directors the criteria above will apply mutatis mutandis to the immediate family members of the director. For purposes of this policy the term "immediate family member" shall include any of the following persons who are related to the director in question: spouse, children and grandchildren; parents, parents-in-law and grandparents; siblings and the children, spouses and grandchildren of any of these siblings.
3. The board will annually review which of its members are independent having regard to this policy and relevant facts.

The board will annually review this policy as part of its own performance evaluation process.

The board, its committees, and individual directors completed an annual evaluation process in February 2009 to review their effectiveness and determine measures that will help improve the performance of the board and its committees. The chairman of each committee and the chairman of the board led the processes to evaluate the committees and the board respectively. There was a separate review of the chairman's performance led by the deputy chairman of the board whereby each director evaluated his performance during the year. The company secretary and compliance manager play a critical role in this process.

The performance evaluation of executive directors is conducted by the Remuneration Committee.

As an example of the content of an appraisal form, the board effectiveness evaluation covered the following topics:

- Setting of performance objectives
- Board contribution to development of strategy
- Board response to crisis
- Board awareness of developments in regulatory environment and market
- Effectiveness of board committees

- Evaluation of the relationship between the board and management, shareholders and among members of the board itself
- Succession plans for senior executive management
- Definition of independent directors
- Corporate governance and legal issues facing the board/company

The vice president – finance, treasury and company secretarial and the company secretary have been appointed to assist the board in its deliberations, informing members of their legal duties and ensuring, together with the executive directors and senior management, that its resolutions are carried out. Together with the investor relations department, the company secretarial function also provides a direct communications link with investors and liaises with the Company's share registrars on all issues affecting shareholders. The company secretarial function, in consultation with other departments, furthermore, provides mandatory information required by various regulatory bodies and stock exchanges on which the Company is listed. The vice president – finance, treasury and company secretarial and the company secretary are responsible for compliance with all the statutory requirements related to the administration of the Share Incentive Scheme. They also ensure that minutes of all shareholders, board and board committee meetings are properly recorded in accordance with the South African Companies Act 61 of 1973 as amended. The company secretarial and compliance functions also play a crucial role in the induction of new directors.

A compliance office has been established to assist the board and management to determine their statutory duties, ensure legal compliance and advise on issues of corporate governance.

All members of the board have access to management and the records of the Company, as well as to external professional advisers should the need arise. Directors and employees of the Company with access to price sensitive information are not permitted to trade in the Company's shares during closed periods. In addition, they are prohibited from dealing in warrants and derivatives of the Company at any time. Directors and key employees are required to follow a formal process before trading in the Company's shares. Closed periods are in effect from the end of the reporting period to and including the date of publication of the quarterly, half-yearly and year-end results. Where appropriate, a closed period is also effective during periods when major transactions are being negotiated and a public announcement could be imminent.

Six board meetings and six sub-committee meetings took place during the course of 2008. The board meeting attendance graph is provided below.

Attendance at board meetings during 2008:

Mr R P Edey (Chairman)	6 of 6 meetings attended
Dr T J Motlatsi	5 of 6 meetings attended
Mr F B Arisman	6 of 6 meetings attended
Mr R E Bannerman	6 of 6 meetings attended
Mrs E le R Bradley*	3 of 4 meetings attended
Mr M Cutifani	6 of 6 meetings attended
Mr J H Mensah	6 of 6 meetings attended
Mr W A Nairn	6 of 6 meetings attended
Prof W L Nkuhlu	6 of 6 meetings attended
Mr S M Pityana	4 of 6 meetings attended

Mr S R Thompson**	4 of 4 meetings attended
Mr S Venkatakrishnan	6 of 6 meetings attended

* retired 6 May 2008

** resigned 28 July 2008

Significant issues faced by the board in 2008

The biggest issue faced by the board of the Company during 2008 was, and continues to be the global financial crisis and the prospect of a worldwide recession. The current economic climate has several implications for resource companies as commodity prices slide downwards and impact essential financial and capital project plans. More relevant to the Company was the need to refinance the Company's convertible bond which matured in February 2009. The Company's initial plan to refinance the convertible bond from proceeds of an equity linked instrument became non-viable due to the global credit crunch that resulted from the financial crisis, posing a significant risk to the Company's activities. The refinancing problem was resolved when, in November 2008, the Company secured a U.S.\$1.0 billion term facility to refinance the bond.

The board also regularly reviewed both the Company's strategy of reducing the hedge book and its performance in respect of safety.

Board Sub-Committees

To facilitate its activities and deliberations, the board has established a number of subcommittees, comprising members of the board, with written terms of reference governing the powers, functions and activities of these sub-committees. There are eight committees of the board including the Executive Management Committee. As and when required, the board may establish Ad Hoc committees to address issues of current concern.

Members of board committees have access to management and the records of the Company, as well as to external professional advisers should the need arise. Details of each sub-committee are provided below.

Audit and Corporate Governance Committee

Membership of the Audit and Corporate Governance Committee, including its chairman, comprises only independent non-executive directors, in compliance with the Sarbanes-Oxley Act. The Sarbanes-Oxley Act requires the board to identify a financial expert from within its ranks. The board has resolved that the committee's chairman, Prof Wiseman Nkuhlu is the board's financial expert. All four members of the committee have considerable financial knowledge and experience to help oversee and guide the board and the Company in respect of the audit and corporate governance disciplines. In relation to independent directors' membership of the committee, the Company deviates from the guidelines of the King Code, but complies with the requirements of the Sarbanes-Oxley Act in that the chief executive officer is not a member of the committee but, if required, may attend its meetings by invitation from the chairman of the committee. In addition, the Company deviates from the guidelines of the King Code, in that the board chairman is a member of the committee. The board considers that the board chairman possesses relevant invaluable experience and knowledge warranting his membership of the committee.

The Group's internal audit manager has unrestricted access to both the chief executive officer and the chief financial officer, the board chairman and the chairman of this committee, and is invited to attend and report on his department's activities at all committee meetings. The board is confident that the unfettered access of the Group's internal audit manager to key board members, and the direct and regular reporting to the committee, enables him to discharge his duties as required by law and in fulfilment of his obligations to the Company. The function, duties and powers of the internal audit department, for which the Group's internal audit manager is responsible, are governed by a formal internal audit charter approved by the committee. In addition, the Group's internal audit manager meets with committee members in the absence of management.

The committee meets regularly with the external audit partner, the Group's internal audit manager and the chief financial officer to review the audit plans of the internal and external auditors and ascertain the scope of the audits, and to review the quarterly financial results, significant legal matters affecting the Company, the preliminary announcement of the annual results and the annual financial statements, as well as all statutory submissions of a financial nature, prior to approval by the board.

In relation to risk management, the committee reviews the risk policies of the Company with respect to risk identification and the risk management process, ensuring that the guidelines of the King Code and the requirements of the U.S. Sarbanes-Oxley Act are met, as well as advising the board on the effectiveness of the risk management system.

The committee is further responsible for:

- the appointment and dismissal of the external auditors;
- determining and approving external auditors' fees;
- ensuring that the external auditors report regularly to the committee;
- overseeing the work of the external auditors;
- fees paid to the external auditors in respect of audit fees were U.S.\$6 million and U.S.\$1 million relating to other assurance services. The percentage of non-audit fees as a portion of total fees paid to the external auditors for 2008 was about 14 percent;
- overseeing the internal audit function:
 - receiving regular report back from the Group's internal audit manager; and
 - the appointment and dismissal of the Group's internal audit manager;
- assessing and reviewing the Company's risk management framework;
- monitoring the Group's corporate governance practices in relation to regulatory requirements and guidelines; and determining all non-audit work of the external auditors including consulting work, and pre-approving non-audit fees to be paid to the external auditors. The non-audit activities performed by the external auditors during the year were in respect of:
 - tax services;
 - training services; and
 - assurance services in respect of United States Securities and Exchange Commission (U.S. SEC) regulatory filings.

The external auditors also meet with committee members in the absence of management. The Audit and Corporate Governance Committee, after due consideration, is satisfied that the external auditor is independent of the Company and was so during the financial period under review to and including the date of this report.

The committee met on four occasions during 2008. Mrs E le R Bradley retired from the board on 6 May 2008 and ceased to be a member of the committee at that date. The committee meeting attendance during 2008 is as follows:

Prof W L Nkuhlu (Chairman)	4 of 4 meetings attended
Mr F B Arisman	4 of 4 meetings attended
Mrs E le R Bradley*	1 of 1 meetings attended
Mr R P Edey	4 of 4 meetings attended

Mr J H Mensah 4 of 4 meetings attended

* *Retired on 6 May 2008*

The NYSE listing rules require that the board determine whether a member of the committee's simultaneous service on the audit committees of more than three public companies impairs the ability of such a member to effectively serve on a listed company's audit committee. Professor Nkuhlu, the chairman of the committee, is a member of two (2007: two) other public companies' audit committees but is the chairman of none of these committees (2007: nil).

Prof Nkuhlu is a qualified chartered accountant with considerable experience in both accounting and auditing and is a past president of the South African Institute of Chartered Accountants. The board is confident that the experience and calibre of Prof Nkuhlu and his active contribution and regular attendance at meetings of the committee and the board demonstrates his commitment to the Company. The simultaneous service on other audit committees and membership on the Financial Crisis Advisory Group of the IASB and FASB by Prof Nkuhlu has not impaired his ability to diligently execute his responsibilities to the committee and the board of the Company. The members of the Audit and Corporate Governance Committee were all re-appointed to serve as members of the committee by the board to hold office for the next financial year.

Transformation and Human Resources Development Committee (formerly Employment Equity and Development Committee)

The name of this committee was changed during 2008. The committee is responsible for overseeing the Company's performance in respect of employment equity, transformation and staff development by taking into account the legal requirements of applicable legislation and the monitoring of targets set by the Company, including the monitoring of the Mining Charter in its entirety and all legislative requirements impacting on the Company's right to mine at all its operations. The committee is also responsible for employee skills development in a manner that seeks to develop and retain talent, and to provide employees with the opportunity to enhance their skills and knowledge. The committee met on four occasions during 2008. Details of the Company's employment equity practices and performance during the year, as well as the many challenges the Company faces in this regard are provided for in this report under the Employment Equity and Development section below.

The committee meeting attendance during 2008 is as follows:

Dr T J Motlatsi (Chairman)	4 of 4 meetings attended
Mr FB Arisman	4 of 4 meetings attended
Mr R E Bannerman	4 of 4 meetings attended
Mr M Cutifani	4 of 4 meetings attended
Mr W A Nairn	4 of 4 meetings attended
Mr S M Pityana	3 of 4 meetings attended

Executive Committee

This committee is chaired by Mr Cutifani, the chief executive officer and comprises members of the executive team. The committee is responsible for overseeing the day-to-day management of the Company's affairs and for executing the decisions of the board. It meets at least monthly and is actively involved in the strategic review of the Company's values, safety performance, operation and exploration profiles and financial status.

Investment Committee

This committee is responsible for overseeing and reviewing the Company's strategic investments which includes the acquisition and disposal of assets, capital expenditure and projects. Mrs E Le R Bradley

and Mr Thompson resigned from the committee on 6 May 2008 and 28 July 2008, respectively. The committee met on three occasions during 2008 and the attendance graph is provided below.

Mr R P Edey (Chairman)	3 of 3 meetings attended
Mrs E le R Bradley*	1 of 1 meetings attended
Mr M Cutifani	2 of 3 meetings attended
Mr J H Mensah	3 of 3 meetings attended
Mr W A Nairn	2 of 3 meetings attended
Mr S Pityana	2 of 3 meetings attended
Mr S R Thompson**	1 of 1 meetings attended
Mr S Venkatakrisnan	3 of 3 meetings attended

* retired 6 May 2008

** resigned 28 July 2008

Nominations Committee

The appointment of directors is a matter for the board as a whole but the Nominations Committee, whose membership comprises solely of independent non-executive directors, is responsible for identifying and recommending suitable candidates for appointment to the board. The fit and proper standards policy for directors guides this process. The committee is also responsible for establishing and reviewing succession plans for members of the board, particularly those of the chief executive officer and board chairman. Mrs E Le R Bradley resigned from the committee on 6 May 2008. No meetings of the committee took place during 2008.

Political Donations Committee

The membership of the Political Donations Committee comprises the South African resident independent non-executive directors, and is chaired by the deputy chairman of the board, Dr TJ Motlatsi. The committee determines the funding of political parties in South Africa in accordance with principles set out in the political donations policy adopted by the board on 29 April 2003. No meetings of the committee took place during 2008.

Remuneration Committee

The Remuneration Committee comprises only non-executive directors and is responsible for evaluating the performance of executive directors and executive management, and for setting appropriate remuneration for such officers of the Company.

The performances of the executive directors are assessed relative to the prevailing business climate and market conditions, as well as to annual evaluations of the achievement of key predetermined objectives. Bonuses paid to executive directors are a reflection of the performance of each of the Directors and the Company as a whole. The fees of non-executive directors are fixed by shareholders at the annual general meeting and, other than the fees they receive for their participation on board committees and an allowance for travelling internationally to attend board meetings, non-executive directors receive no further payments from the Company and are precluded from participation in the Company's share incentive scheme. Mr Edey resigned as chairman of this committee on 31 July 2008, but remains a member and Mr Pityana assumed the chairmanship on 1 August 2008. The committee met on three occasions during 2008 and its meeting attendance is as follows:

Mr S M Pityana (Chairman)	2 of 3 meetings attended
Mr F B Arisman	3 of 3 meetings attended
Mr RE Bannerman	3 of 3 meetings attended
Mr RP Edey	3 of 3 meetings attended

Dr T J Motlatsi	3 of 3 meetings attended
Prof W L Nkuhlu	3 of 3 meetings attended

Safety, Health and Sustainable Development Committee

This committee is tasked with overseeing the Company's performance regarding safety, health and sustainable development, and for establishing targets in relation to each of these areas. Membership of the committee comprises non-executive directors and the chief executive officer. Its meetings are attended by several members of the executive team and other officers of the Company. During 2008 the committee deliberated on the safety concerns faced by the Company's South African mines in particular, and on the strategies and methodologies that will enhance the safety and security of all company employees. The Company recently implemented the "Safety is our first value" campaign aimed at giving greater focus to safety issues. The committee met on four occasions during 2008. The members of the committee visited the Moab Khotsoeng mine where they went underground and had a presentation from mine management. Mr Thompson resigned from the committee on 28 July 2008. The committee's meeting attendance is shown below:

Mr WA Nairn (Chairman)	4 of 4 meetings attended
Mr M Cutifani	4 of 4 meetings attended
Mr J H Mensah	3 of 4 meetings attended
Dr T J Motlatsi	3 of 4 meetings attended
Mr S M Pityana	3 of 4 meetings attended
Mr S R Thompson*	1 of 2 meetings attended

Special purpose board committees

As and when required, the board may appoint a special purpose board committee. In March 2008, The Financial Analysis Committee was formed to address the funding requirements of the Company, namely the Rights Offer. The committee was dissolved on 7 July 2008 following the close of the Rights Offer. Members of the committee and attendance at meetings are shown below:

Mr F B Arisman (Chairman)	5 of 5 meetings attended
Mr R P Edey.....	5 of 5 meetings attended
Prof. W L Nkuhlu.....	5 of 5 meetings attended
Mr S M Pityana.....	5 of 5 meetings attended

Employees

The average number of attributable employees in the Group over the last 3 financial years was:

	2008	2007	2006
South Africa	37,127	36,976	35,968
Argentina	1,072	1,017	906
Australia	1,198	781	479
Brazil	4,095	4,352	4,428
Ghana	7,502	7,549	9,443
Guinea	2,933	2,917	2,708
Mali	1,611	1,615	1,473
Namibia	482	409	313
Tanzania	3,116	3,226	3,220

	2008	2007	2006
USA	421	405	369
Other*	3,338	2,275	2,146
Total**	62,895	61,522	61,453

* Includes corporate exploration and other non-gold producing subsidiaries

** Includes contractors

The change in employee numbers from 2007 to 2008 was largely a result of the employment of personnel required to implement the Company's strategies pertaining to its business process framework, business improvement and increased exploration personnel.

The change in employee numbers from 2006 to 2007 was largely a result of increases in employee complement in Australia and Namibia owing to staffing up at the Boddington joint venture and the full impact of the revised shift arrangements at Sunrise Dam, and the full transition to owner-mining at Navachab. In contrast, employee numbers declined in Ghana where restructuring continued at the Obuasi operation.

Unions and Collective Bargaining

Freedom of association, in particular, is recognised as a fundamental right within the Group, and collective bargaining is encouraged in those countries where the relevant structures exist. Management/union relationships where they exist given the local laws and arrangements, are governed by collective bargaining, recognition and company-negotiated agreements. Over 90 percent (2007: 93 percent) of the global workforce is represented by recognised trade unions or provided for by way of collective bargaining processes. The Company is a strong supporter of collective bargaining.

Although only 80 percent (2007: 87 percent) of all South African employees are members of unions, 97.4 (2007: 97.5 percent) fall under collective bargaining agreements, including the agency-shop agreement. The agency-shop agreement exists across the lower bargaining unit at the South African operations. This agreement provides for the contribution by non-union members of 0.75 percent of basic monthly pay to a fund which is used to address work and social needs of that bargaining group. This has been negotiated because union members pay 1 percent of their basic pay as union dues. The outcome of wage negotiations with the unions applies to all employees within that bargaining unit, whether they are union members or not.

The only exceptions to the collective bargaining arrangements are operations in the United States and Australia, where employees (as is common practice in these countries) are not members of unions, but where a high degree of employee participation is encouraged.

There were no significant disputes or strikes at any of the Group's operations during the year. The most significant agreement reached between the Company and unions during the year was the review of wages in Ghana.

In South Africa, a two-year agreement, effective July 2007, was entered into between the Company, through the Chamber of Mines, NUM and Solidarity. The agreement provides for:

- wage increases of between 8 percent and 10 percent, with the highest increase for the lowest job category and for key skills;
- a wage increase in the second year of CPIX plus 1 percent, subject to a minimum guaranteed increase of 8 percent. In terms of the agreement, a wage increase of 10 percent was effective from 7 July 2008;
- an increase in medical incapacitation benefits and an increase in funeral cover;
- improvements in accommodation subsidies; and
- an increase in family responsibility leave from three days to four days.

A review of wages and other conditions of service effective from 1 July 2009 for the South African operations will be conducted in the first half of 2009 by the above parties.

In Ghana, the three-year broad agreement on wages and conditions of service which was negotiated in 2006 between the Company and the Ghana Mine Workers' Union is still current but will be renegotiated in 2009.

Generally, conditions of service, including minimum notice periods and negotiation practices with employees and employee representatives, are guided by country legislation, collective bargaining agreements and individual contracts of employment and therefore vary from region to region.

Share Ownership

Directors' Interests in shares

At 31 December 2008, the members of the Company's board of directors beneficially held the aggregate of 24,068 Shares of the Company (not including stock options or other equity awards), which represented 0.0068 percent of the Company's outstanding share capital at that date.

	Beneficial		Beneficial	
	Direct	Indirect	Direct	Indirect
	31 December 2008		31 December 2007	
Executive directors				
M Cutifani	10,000	–	–	–
S Venkatakrisnan	5,221	–	652	–
Total	15,221	–	652	–
Non-executive directors				
FB Arisman		4,984	–	2,000
RP Edey		3,063	–	1,000
WL Nkuhlu	800	–	–	–
Total	800	8,047	–	3,000
Grand total	16,021	8,047	652	3,000

There has been no change in the above interests since 31 December 2008. A register detailing directors' and officers' interests in contracts is available for inspection at the Company's registered principal office.

Share Ownership of Executive Officers/Executive Management

Under the Listings Requirements of the JSE, the Company is not required to disclose, and it does not otherwise disclose or ascertain, share ownership of individual executive officers/executive management in the share capital of the Company. However, to the best of its knowledge, the Company believes that shares held by executive officers, in aggregate, do not exceed 1 percent of the Company's issued share capital.

Share Ownership of Employees

At a general meeting of shareholders held on 11 December 2006, members approved the creation of 4,280,000 new E ordinary shares of 25 South African cents pursuant to an employee share ownership plan for the benefit of certain Company employees, of which the majority are historically disadvantaged South Africans as defined in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry.

All the authorised E ordinary shares have been issued, of which, 2,880,000 E ordinary shares were issued to the Bokamoso ESOP Trust which is holding these shares on behalf of approximately 31,000 employees.

AngloGold Share Incentive Scheme

The Company operates a share incentive scheme through which executive directors, executive management and managers of the Company and its subsidiaries are given the opportunity to acquire shares in the Company. The objective is to incentivise such employees to identify themselves more closely with the fortunes of the Company and its continued growth and to promote the retention of such employees.

Non-executive directors are not eligible for participation in the share incentive schemes.

The maximum number of shares that may be allocated for the purposes of the scheme is equivalent to 2.75 percent of the total number of shares in issue at any time. At 31 December 2008, 9,720,794 shares (2007: 7,630,080) were available for purposes of the scheme, while the maximum aggregate number of shares which may be acquired by any one participant in the scheme is 5 percent of the shares allocated for the purposes of the share incentive scheme (or 0.1375 percent of the total number of shares in issue) – at 31 December 2008, a maximum of 486,040 shares per employee could be issued in aggregate (2007: 381,504).

Employees participate in the share incentive scheme to the extent that they are granted options or rights to acquire shares and accept them. All options or rights which have not been exercised within ten years from the date on which they were granted automatically expire.

The incentives offered by the Company are reviewed periodically to ensure that they remain globally competitive, so as to attract, reward and retain managers of the highest calibre. As a result, several types of incentives, each with their own issue and vesting criteria have been granted to employees – collectively known as the "AngloGold Share Incentive Scheme or share incentive scheme".

Although the Remuneration Committee has the discretion to incentivise employees through the issue of shares, only options or rights have so far been granted. The type and vesting criteria of the options or rights granted are:

Time-related

The granting of time-related options was approved by shareholders at the general meeting held on 4 June 1998 and amended by shareholders at the annual general meeting held on 30 April 2002, at which time it was agreed that no further time-related options would be granted and all options granted hereunder will terminate on 1 February 2012, being the date on which the last options granted under this criteria may be exercised or they will expire.

Time-related options vest over a five-year period from the date of grant and may be exercised in tranches of 20 percent each in years two, three and four and 40 percent in year five. As of the date of this report, all options granted and outstanding have vested in full.

Performance-related

The granting of performance-related options was approved by shareholders at the annual general meeting held on 30 April 2002 and amended at the annual general meeting held on 29 April 2005 at which time it was agreed that no further performance-related options would be granted and all options granted hereunder will terminate on 1 November 2014, being the date on which the last options granted under this criteria may be exercised or they will expire.

Performance-related options granted vest in full, three years from the date of grant, provided that the conditions under which the options were granted are met. All options granted and outstanding vested in full on 1 November 2007.

Bonus Share Plan ("BSP")

The granting of rights in terms of the BSP was approved by shareholders at the annual general meeting held on 29 April 2005 and amended at the general meeting held on 6 May 2008, at which time

shareholders approved the increase in the maximum level of bonus payable to eligible participants, as well as shortening the vesting period. Executive directors, executive management and other management groups are eligible for participation. Each award made in respect of the BSP entitles the holder to acquire one Share at "nil" cost. In respect of all awards granted to and including 2007, these awards vest in full, three years from date of grant, provided that the participant is still employed by the Company at the date of vesting (unless an event, such as death, occurs which may result in an earlier vesting date). In respect of awards granted in 2008 and onwards, the vesting period has been amended to allow employees to exercise their rights as follows: 40 percent in year one and 60 percent in year two from the date of grant or in the event that exercising of awards only takes place in year three, then 120 percent of awards granted will be available for immediate exercising.

Long-Term Incentive Plan ("LTIP")

The granting of rights in terms of the LTIP was approved by shareholders at the annual general meeting held on 29 April 2005. Executive directors, executive management and selected senior management are eligible for participation. Each award made in respect of the LTIP entitles the holder to acquire one Share at "nil" cost. Awards granted vest three years from date of grant, to the extent that the stretched Company performance targets under which the rights were granted, are met and provided that the participant is still in the employ of the Company (or unless an event, such as death, occurs which may result in an earlier vesting date).

Share Incentive Schemes

Options and rights to subscribe for shares are granted to, and exercised by, executive directors, executive management and other managers during the year up to 31 December 2008 and subsequent to year-end.

Executive directors, executive management and other managers

	M Cutifani	Venkat ⁽¹⁾	Total directors	Total executive management ⁽²⁾	Total other managers	Total scheme
Granted and outstanding at 1 January 2008 ⁽³⁾						
Number	-	45,396	45,396	316,339	2,952,519	3,314,253
Granted during the year ⁽⁴⁾						
Number	39,440	32,046	71,486	182,811	1,137,998	1,392,295
Exercised during the year						
Number	-	7,615	7,615	15,563	649,367	672,545
Pre-tax gain before expenses at date of exercise – ZAR000	-	1,837	1,837	1,584	77,167	80,588
Lapsed during the year						
Number	-	7,800	7,800	33,000	551,407	592,207
Held at 31 December 2008						
Number	39,440	62,027	101,467	450,587	2,889,742	3,441,796
Latest expiry date	28 Feb 2018	28 Feb 2018		30 June 2018	6 Jan 2019	

Of the 3,441,796 options and rights granted and outstanding at 31 December 2008, 1,707,255 options are fully vested.

(1) *All the after tax proceeds from the sale of options were used to acquire 4,569 shares.*

(2) *Of the 15,563 options exercised, and the proceeds from the sale of 12,963 options were used to acquire 2,304 shares.*

(3) *As a result of the change in status, the following movements to opening balances were made:*

- *From director status to other management: 117,786 options/awards*
- *From executive management to other management: 207,027 options/awards*

- (4) Awards granted since 2005 have been granted at NIL cost to participants
- (5) On 17 February 2009, a total of 740,609 BSP and 528,538 LTIP awards were granted to 1,558 and 87 eligible employees, respectively. Awards granted to M Cutifani and Venkat[#] are as follows:

	BSP	LTIP
M Cutifani	19,992	40,694
Venkat	15,268	21,238

Venkat refers to S Venkatakrishnan.

Non-executive directors are not eligible to participate in the Scheme and therefore own no options.

Options and rights

As is required to be disclosed in terms of the AngloGold Share Incentive Scheme and stock exchange regulations, the movement in respect of options and rights granted and the shares issued as a result of the exercise of options and rights during the year 1 January 2008 to 31 December 2008 is:

	Time-related (1)	Performance-related (2)	Bonus share plan	Long-term incentive plan	Total	Average exercise price per Share - ZAR	Shares issued
At 1 January 2008	206,960	1,638,200	685,668	783,425	3,314,253	130.74	4,295,959
Movement during the year							
- Granted	41,806	313,082	465,076	572,331	1,392,295		
- Exercised	128,333	385,111	115,458	43,643	672,545	341.02	672,545
- Lapsed/ expired	3,942	176,338	90,259	321,668	592,207		
At 31 December 2008	116,491	1,389,833	945,027	990,445	3,441,796		
Average exercise/issue price per share - ZAR	139.82	239.18	-	-	127.06		4,968,504
Awards exercisable at year-end	116,491	1,389,833	136,371	64,560	1,707,255		

(1) Options granted in respect of the Rights Offer.

Effective 15 October 2008, the JSE amended Schedule 14 (Requirements for share incentive schemes), whereby the recycling of options/awards that have vested and been delivered and for which shares have been issued, is no longer allowed. The table below reflects the total number of options/awards that are unissued, as impacted by this Listings Requirements rule change:

Details	Options / Awards
Total number of options attributable to the scheme at 31 December 2008	9,720,794
Less:	
- Total number of options/awards granted and outstanding at 31 December 2008	3,441,796
- Total number of options/awards exercised during the period 15 October 2008 to 31 December 2008	101,013
Total shares available to be awarded at 31 December 2008	6,177,985

Analysis of options and rights outstanding at 31 December 2008

Holding	Holders	Number of Options
1 to 100	165	13,886
101 to 500	738	200,839
501 to 1,000	159	113,328
1,001 to 5,000	229	578,422
5,001 to 10,000	98	680,053
10,001 to 100,000	82	1,855,268
Total	1,471	3,441,796

Other directorships and partnerships

In addition to their directorships of the Company, the directors and the members of the Senior Management hold, or have held, the following directorships and are or were members of the following partnerships during the previous five years prior to the date of this Prospectus:

Name	Position	Company/Partnership	Position still held (Y/N)
S Venkatakrisnan	Non-executive director	AGRe Insurance Company	Y
R Bannerman	Non-executive director	ROGEQ Trading (Pty) Y Limited	Y
R Edey	Non-executive director	Old Mutual plc	Y
	Member	Conseil de Surveillance of Paris Orleans SA	Y
	Non-executive director	N M Rothschild & Sons (South Africa) Pty Limited	Y
	Non-executive director	N M Rothschild China Holding AG	Y
	Non-executive director	N M Rothschild Corporate Finance	Y
	Non-executive director	Rothschild Australia Limited	Y
	Non-executive director	Rothschild Continuation Limited	Y
	Non-executive director	Shield MBCA Limited	Y
	Non-executive director	Shield Trust Limited	Y
	Non-executive director	Southern Arrows (Pty) Limited	Y
	Non-executive director	The South Africa Business Initiative	Y
T Motlatsi	Non-executive chairman	Verimark Holdings Limited	Y
	Director	Adopt a School Foujndation	Y
	Member	Majaneng Diamond CC	Y
	Director	Inkanyezi Yoknsa Investment (Pty) Limited	Y
	Director	Shanduka Group (Pty) Limited	Y
	Director	Shanduka Resources (Pty) Limited	Y
	Director	Teba Development	Y
	Director	Teba Limited	Y
	Director	Ubuntu Small Scale Mining (Pty) Limited	Y
	Director	Platfields Limited	Y

Name	Position	Company/Partnership	Position still held (Y/N)
W A Nairn	Director	Viso Holdings (Pty) Limited	Y
	Chairman	Pangea Diamond Fields Plc	Y
	Member	BHP Billton Plc	Y
	Member	Gencor Limited	Y
	Member	Grinrod Limited (Cum Pref)	Y
	Member	Impala Platinum Holdings Limited	Y
	Member	Investec Limited	Y
	Member	Investec Limited (Pref Shares)	Y
	Member	Investec Limited Plc	Y
	Member	Mittal Steel SA Limited	Y
	Member	Metropolitan Holdings Limited	Y
	Member	Mr Price Group Limited	Y
	Member	Old Mutual Plc	Y
	Member	PPC	Y
	Member	SAB Miller Plc	Y
	Member	Sasol Limited	Y
	Member	The Spar Group Limited	Y
	Member	Standard Bank Group Limited	Y
	Member	Standard Bank Group Limited Preference Shares	Y
	S Pityana	Member	Tiger Brands Limited
Non-executive director		Bytes Technology Group	Y
Non-executive director		African Oxygen Limited	Y
Non-executive director		Munich Reinsurance Company of Africa Limited	Y
Vice Chairman		Aberdare Cables (Proprietary) Limited	Y
Member		Izingwe Aberdare Cables (Proprietary) Limited	Y
Member		Izingwe Automotive Investments (Proprietary) Limited	Y
Member		Izingwe Cable Investments (Proprietary) Limited	Y
Member/Executive Chairman		Izingwe Capital (Proprietary) Limited	Y
Member/Executive Chairman		Izingwe Holdings (Proprietary) Limited	Y
Member		Izingwe Financial Investments (Proprietary) Limited	Y
Member		Izingwe Paper Investments (Proprietary) Limited	Y
Member		Izingwe Projects (Proprietary) Limited	Y
Member	Peters Papers (Proprietary) Limited	Y	
Member	Mtha-we-Mpumelelo Investments	Y	

Name	Position	Company/Partnership	Position still held (Y/N)
		(Proprietary) Limited	
	Member/Non-executive Chairman	Onelogix Group Limited	Y
	Member/Non-executive Chairman	Riscura Solutions (Proprietary) Limited	Y
	Member	Business Venture Investments	Y
	Member	Nelson Mandela Bay Development Agency	Y
	Member of Council	Human Science Research Council	Y
	Chairman	National Student Financial Aid Scheme	Y
	Director	Sugarbeet RSA (Pty) Ltd	Y
	Director	Scaw South Africa (Pty) Limited	Y
	Member/Alt. Director	Prostart Investment 93 (Pty) Limited	Y
L Nkuhlu	Non-executive director	Datatec Limited	Y
	Non-executive Chairman	Metropolitan Holdings Limited	Y
	Director	Bigen Africa Group Holdings (Pty) Limited	Y
	Director	Bond Alliance (Pty) Limited	Y
	Director	Eastern Cape Development Corporation	Y
	Director	Economic Equity Investments (Pty) Ltd	Y
	Director	Kagiso Trust Investments (Pty) Ltd	Y
	Director	Meeg Bank Ltd	Y
	Chairman	Meeg Investments Ltd	Y
	Member	Nkuhlu Family Investments (Pty) Ltd	Y
	Member	Nkunzi Investment Holdings (Pty) Ltd	Y
	Chairman	Pan-African Capital Holdings (Pty) Ltd	Y
	Director	Pan-African General Equity Resources (Pty) Ltd	Y
	Director	Pan-African Investment and Research Services	Y
	Director	Pan-African Strategic Investments (Pty) Ltd	Y
	Director	Pan-African Logistical Services (Pty) Ltd	Y
	Director	Bustique 279 (Pty) Limited	Y
J Mensah	Director	Dangbe Salt Industries Limited	Y

Other confirmations

At the date of this Prospectus, none of the directors or members of the Senior Management has at any time within the last five years:

- (a) save as disclosed above, been a director or partner of any companies or partnerships;

- (b) had any convictions in relation to fraudulent offences;
- (c) been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of a Director or member of the Senior Management; or
- (d) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

None of the directors or members of the Senior Management have any family relationship with another Director or member of the Senior Management.

MAJOR SHAREHOLDINGS

According to information available to the directors, the following were the only shareholders holding, directly or indirectly, in excess of 5 percent of the share capital of the Company as at 31 December 2008:

Shares held at	31 December 2008	
	Number	% voting rights
AA plc	57,175,183	16.17
Allan Gray Limited	42,865,757	12.13
Tradewinds Global Investors LLC	31,442,064	8.89
NWQ Investment Management Co	21,219,474	6.00
Public Investment Corporation	19,543,308	5.53

* *shares held may not necessarily reflect the beneficial shareholder.*

At 31 December 2008, a total of 111,178,529 shares (or 31.45 percent of issued Share capital) were held by The Bank of New York Mellon, as Depositary for the Company's American Depositary Receipt programme. Each American Depositary Share (ADS) is equivalent to one Share. At 31 December 2008, the number of persons who were registered holders of ADSs was reported at 4,015. The Company is aware that many ADSs are held of record by brokers and other nominees, and accordingly the above numbers are not necessarily representative of the actual number of persons who are beneficial holders of ADSs or the number of ADSs beneficially held by these persons.

The Company's major shareholders have the same voting rights as other holders of shares and do not have any different or special voting rights.

As at 31 December 2008, there were 15,923 holders on record of the shares. Save for any changes to major shareholdings as described below, as at the date of this Prospectus there were no changes to the 31 December 2008 position with regard to major shareholders of the Company.

During the period 1 January 2009 through to 25 February 2009, AA plc sold 17,263,901 ordinary shares (approximately 4.9 percent of its shareholding in the Company) and on 17 March 2009 AA plc announced that it had sold its remaining interest in the Company to investment funds managed by Paulson & Co Inc.

Insofar as is known to the Company, there was no person who, directly or indirectly, jointly or severally, exercised or could exercise control over the Company, nor is the Company aware of any arrangements which might result in a change in control of the Company.

Other Confirmations

- There is no provision in the memorandum and articles of association of the Company that governs the ownership threshold above which shareholder ownership must be disclosed, however, under the South African Companies Act disclosure of shareholder ownership is required.
- There is no provision in the memorandum and articles of association of the Company which would have the effect of delaying, deferring or preventing a change of control of the Company.

ADDITIONAL INFORMATION

1. Responsibility

The directors and the Company, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Incorporation and principal office

The Company was incorporated and registered in South Africa with registration number 1944/017354/06.

The Registered Principal office of the Company is at 76 Jeppe Street, Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa (Telephone +27 11 637-6000).

The principal legislation under which the Company operates, and under which the shares were created, is the South African Companies Act 61 of 1973, as amended.

3. Share capital

The New Shares are in registered and dematerialised (i.e., not certificated) form. The International Security Identification Number ("ISIN") for the shares is ZAE000043485.

The Company's share capital consists of four classes of stock:

- Shares, par value 25 South African cents each;
- E ordinary shares, par value 25 South African cents each;
- A redeemable preference shares, par value 50 South African cents each; and
- B redeemable preference shares, par value 1 South African cent each.

There was no change to the authorised share capital of the Company during 2008.

The authorised and issued share capital of the Company at 31 December 2008 is set out below:

<i>Title of class</i>	<i>Authorised</i>	<i>Issued</i>
Shares	400,000,000	353,483,410
E ordinary shares	4,280,000	3,966,941
A preference shares	2,000,000	2,000,000
B preference shares	5,000,000	778,896

All the issued shares, E-Ordinary shares, A preference shares and B preference shares are fully paid and are not subject to further calls or assessment by the Company.

The following are the movements in the issued share capital in the three years ended 31 December 2006, 2007 and 2008:

Shares

	2008		2007		2006	
	Number of shares	Rand	Number of shares	Rand	Number of shares	Rand
At 1 January	277,457,471	69,364,368	276,236,153	69,059,038	264,938,432	66,234,608
Issued during year						
– U.S.\$500 million equity raising	–	–	–	–	9,970,732	2,492,683
– Rights offer	69,470,442	17,367,611	–	–	–	–
– Golden Cycle acquisition	3,181,198	795,299	–	–	–	–

	Number of shares	Rand	Number of shares	Rand	Number of shares	Rand
	2008		2007		2006	
– São Bento acquisition	2,701,660	675,415	–	–	–	–
– Bokamoso ESOP and BEE transaction	–	–	31,410	7,852	928,590	232,147
– Bokamoso ESOP on conversion of E-Ordinary Shares	94	24	8,026	2,007	–	–
– Exercise of options by participants in the AngloGold Share Incentive Scheme	672,545	168,136	1,181,882	295,471	398,399	99,600
At 31 December	353,483,410	88,370,853	277,457,471	69,364,368	276,236,153	69,059,038

During the period 1 January 2009 to and including 29 April 2009, 694,110 ordinary shares were issued at an average issue price of R240.06 per share, resulting in 354,177,520 ordinary shares being in issue at 29 April 2009. Of the 694,110 ordinary shares issued during the period 1 January 2009 to and including 29 April 2009, 715 ordinary shares were issued on conversion and cancellation of 57,872 E ordinary shares in accordance with the applicable conversion formula.

E ordinary shares

On 11 December 2006, shareholders in general meeting authorised the creation of a maximum of 4,280,000 E-Ordinary shares to be issued pursuant to an Employee Share Ownership Plan and a Black Economic Empowerment transaction ("BEE transaction").

	Number of shares	Rand	Number of shares	Rand	Number of shares	Rand
	2008		2007		2006	
At 1 January	4,140,230	1,035,057	4,185,770	1,046,443	–	–
– Issued during year to the Bokamoso ESOP Trust	–	–	94,230	23,557	4,185,770	1,046,443
– Cancelled in exchange for shares in terms of the cancellation formula	173,289	43,322	139,770	34,943	–	–
At 31 December	3,966,941	991,735	4,140,230	1,035,057	4,185,770	1,046,443

In terms of the authority granted by shareholders, on vesting, E-Ordinary shares are cancelled in exchange for shares, in accordance with the cancellation formula. All E-Ordinary shares which are cancelled may not be re-issued and therefore, do not form part of the authorised but unissued share capital of the Company.

In 2008, E-Ordinary Share capital amounting to ZAR20,587,628 in respect of 162,363 unconverted but cancelled E-Ordinary shares was transferred to share premium. E-Ordinary shares do not convert to shares in the instance when the market price of a Company share is less than the value of the E-ordinary share as calculated in accordance with the cancellation formula.

During the period 1 January 2009 to and including 29 April 2009, 715 ordinary shares were issued on conversion and cancellation of 57,872 E ordinary shares in accordance with the applicable conversion formula, resulting in E ordinary share capital amounting to R7,338,170 being transferred to ordinary share capital.

Redeemable Preference shares

The A and B redeemable preference shares (issued of 2,000,000 and 778,896, respectively), all of which are held by a wholly-owned subsidiary Eastvaal Gold Holdings Limited, may not be transferred and are redeemable from the realisation of the assets relating to the Moab Lease area after cessation of mining operations in the area. The shares carry the right to receive dividends equivalent to the profits

(net of royalty, ongoing capital expenditure and taxation) from operations in the area. No further A and B redeemable preference shares will be issued.

4. Memorandum and articles of association

Registration

The Company is incorporated under the laws of the Republic of South Africa and registered with the Registrar of Companies under registration number 1944/017354/06. The Company's memorandum of association provides that the Company's main business is to carry on gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold.

The Company is governed by its articles of association, which is available for inspection as set out in "Documents Available for Inspection" and a summary of pertinent provisions, including rights of the holders of shares is set out below.

This summary does not contain all the information concerning the rights of holders of shares and is qualified in its entirety by reference to the law of South Africa and the Company's governing corporate documents. As well as being governed by the provisions of the articles of association, the rights of holders of the shares are governed by the South African Companies Act 61 of 1973, as amended, the South African Securities Regulation Code on Take-Overs and Mergers and the JSE Listing Requirements.

Directors

The management and control of any business of the Company is vested in the directors who, in addition to their powers under the articles of association, may exercise all powers and do all such acts and things as may be exercised or done by the Company which are not expressly required to be exercised or done by the Company's shareholders in a general meeting.

Appointment, Retirement and Removal of Directors

The board of directors may appoint any person to be a director and any director so appointed will hold office only until the following annual general meeting and will then be eligible for re-election. The directors who retire at the annual general meeting in this manner will not be taken into account in determining the directors who are to retire by rotation at such meeting.

At every annual general meeting one-third of the directors, not subject to employment contract, will retire by rotation, or if their number is not a multiple of three, then the number will be rounded down to the nearest whole number which is a multiple of three. Directors retiring by rotation are eligible for re-election. The directors so to retire at such annual general meeting will, unless otherwise determined by the board, be those who have been the longest in office since their last election, but as between persons who become or were last elected directors on the same day, those to retire will (unless they otherwise agree amongst themselves) be determined by lot.

A director will no longer act as a director of the Company if he becomes insolvent or subject to insolvency procedures, is found to be of unsound mind, is requested to resign by at least three-quarters of the directors, is removed by a shareholders' resolution of the Company or is absent from board meetings without leave of the directors for six consecutive months. A director (other than the executive directors) can resign with one month's written notice unless he obtains the permission of the directors to shorten his notice period.

The articles of association contain no provision for directors to hold qualification shares, nor stipulate an age limit requirement for the retirement or non-retirement of directors.

Board Meetings

The directors may regulate board meetings and determine the quorum necessary for the transaction of business as they think fit. Unless otherwise determined by the directors, two directors form a quorum. Issues arising at meetings are decided by majority vote with the chairman having a second or casting vote where there are more than two directors present at the meeting.

Borrowing Powers

The Company may create and issue secured or unsecured debentures, subject to any regulations from time to time made and approved by the Company in general meeting, and the directors may borrow or secure the payment of such sums as they think fit and may secure the repayment of any indebtedness by bond, mortgage or charge provided that no special privileges as to allotment of shares, attending and voting at meetings, appointment of directors or otherwise will be given to the holders of the Company's debentures without the sanction of the Company shareholders in a general meeting.

The Company's borrowing powers are unlimited. These borrowing powers may be varied by the Company shareholders by way of a resolution in a general meeting.

Remuneration

The directors are entitled to such remuneration as the Company shareholders may approve by ordinary resolution in a general meeting. If a director performs services that, in the opinion of the board of directors, are outside the scope of the ordinary duties of a director, he may be paid such extra remuneration as the directors determine.

Interests of Directors and Restriction on Voting

A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company or any of the Company's subsidiaries must declare the nature of his interest to the Company in accordance with the Companies Act.

A director will not vote nor be counted in the quorum and if he will do so his vote will not be counted on any resolution for his own appointment to any other office or position under the Company or in respect of any contract or arrangement in which he is interested, but this prohibition will not apply to:

- (i) any arrangement for giving to any director any security or indemnity in respect of money lent by him to, or obligations undertaken by him for the benefit of, the Company;
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the director has himself guaranteed or secured;
- (iii) any contract by a director to subscribe for or underwrite securities; or
- (iv) any contract or arrangement with a company in which he is interested by reason only of being a director, officer, creditor or member of such company (and note that these prohibitions may at any time be suspended or relaxed to any extent either generally, or in respect of any particular contract or arrangement, by the Company in general meeting).

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned will be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question arises at any meeting as to the entitlement of any directors to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director must be final and conclusive

except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

The directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company in such manner and in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.

Share Rights, Preferences and Restrictions

Allotment and Issue of Shares

Any unissued shares can be disposed of or dealt with in such manner as the Company shareholders may direct in a general meeting. The Company shareholders may resolve that all or any of such shares are at the disposal of the directors who may allot, grant options over or otherwise deal with or dispose of the shares to such persons at such times and on such terms and conditions and for such consideration as the directors may determine.

Any shares may be issued with such rights or restrictions as the Company shareholders in a general meeting may from time to time determine.

No shares may be issued at a discount except in accordance with section 81 of the South African Companies Act. Section 81 states that a company can issue shares at a discount to the par value shares of such shares, if such shares are of a class already in issue, if such issue is authorised by a special resolution, if the company has been trading for at least one year, if the issue is sanctioned by the court and if the issue occurs within one month of the sanction. If shares are issued at a discount, every prospectus issued by the Company thereafter relating to the issue of any shares, will contain particulars of the discount allowed on the issue of those shares, or so much of the discount as has not been written off at the date of the issue of such prospectus.

Dividends, Rights and Distributions

The shares participate fully in all dividends, other distributions and entitlements as and when declared by the Company in respect of fully paid shares. Under South African law, the Company may declare and pay dividends from any reserves included in total shareholders' equity calculated in accordance with International Financial Reporting Standards, subject to its solvency and liquidity. No larger dividend will be declared by shareholders in general meeting than is recommended by the directors. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

Dividends may be declared in any currency at the discretion of the board of directors. Currently, dividends are declared in South African rands and paid in Australian dollars, South African rands, Ghanaian cedis or United Kingdom pounds.

As approved by shareholders in general meeting on 11 December 2006, the Company's authorised share capital was increased through the creation of a maximum of 4,280,000 E-Ordinary shares, to be issued for cash, pursuant to an employee share ownership plan and black economic empowerment transaction. The E-Ordinary shares will not be listed. Holders of E-Ordinary shares are entitled to receive a cash dividend, equal to one-half of the dividend per Share declared by the Company from time to time.

The holder of B preference shares is entitled to an annual dividend amounting to the lesser of five percent of the issue price of the B preference shares, or an amount equivalent to the balance of the after-tax profits from income from mining the Moab Lease Area (which is part of the Vaal River operations in South Africa) as determined by the directors in each financial year. This annual dividend is a first charge on any profit available for distribution from the Moab Lease Area. The annual dividend is not payable from any of the Company's other profits.

The holder of A preference shares is entitled to an annual dividend equivalent to the balance of the after-tax profits from income from mining the Moab Lease Area as determined by the directors in each financial year, only once the annual dividend on the B preference shares has been paid in full.

Any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, or in paid-up securities of the Company or of any other company, or in cash, or in any one or more of such ways as the directors or the Company in general meeting may at the time of declaring the dividend determine and direct.

All dividends remaining unclaimed for a period of not less than three years from the date on which they became payable, may be forfeited by resolution of the directors for the benefit of the Company.

All of the issued shares, E ordinary shares, A preference shares and B preference shares are fully paid and are not subject to further calls or assessment by the Company.

Voting Rights

Each Share confers the right to vote at all general meetings. Each holder present in person or, in the case of a corporate entity, represented, has one vote on a show of hands. If a poll is held, holders present or any duly appointed proxy will have one vote for each Share held. A holder of Shares is entitled to appoint a proxy or proxies to attend, speak and vote at any meeting on his or her behalf and the proxy need not be a shareholder. Holders of ADSs are not entitled to vote in person at meetings, but may vote by way of proxy through The Bank of New York Mellon as the ADS issuer. Holders of CDIs are not entitled to vote in person at meetings, but may vote by way of proxy through the CDI nominee.

There are no limitations on the right of non-South African shareholders to hold or exercise voting rights attaching to any of the shares.

Holders of E-Ordinary shares have the right to vote at all general meetings and are entitled to appoint a proxy or proxies to attend, speak and vote at any meeting on his or her behalf and the proxy need not be a shareholder, to the extent that holders of E-Ordinary shares will not be entitled to veto any resolution that would otherwise have been capable of being passed, or not, by the required majority of votes of holders of shares and subject to the Listings Requirements of the JSE, holders of E-Ordinary shares will not be counted for categorisation purposes in terms of section 9 of the Listings Requirements. These limitations on the E-Ordinary shares are a function of shareholder approval and the JSE Listings Requirements.

The A preference shares have voting rights that are similar to those of shares. The B preference shares have limited voting rights, except in the event that a dividend on this class of share has not been paid and remains unpaid for six months, or in connection with issues directly affecting these preference shares or the Company as a whole, such as disposal of substantially all of the Company's assets, winding up the Company or reducing the Company's share capital.

The articles of association do not provide for cumulative voting in respect of any of the classes of the Company's shares.

The articles of association specify that if new classes of ordinary or preference shares are issued, the rights relating to any class of shares may be modified or abrogated either with the consent in writing of the holders of at least three-fourths of the issued shares of that class, or with the sanction of a resolution passed as if it were a special resolution of the Company at a separate general meeting of the holders of the shares of that class.

Transfer of shares

Dematerialised shares which have been traded on the JSE are transferred on the State (Share Transactions Totally Electronic) settlement system and delivered within five business days after each trade.

The dematerialisation of shares is not mandatory and holders of shares may elect to retain their certificated securities. Subject to any statutory restrictions on transfer any shareholder may transfer all or part of his certificated securities, to the extent it is not prevented by section 91A of the Companies Act. Every transfer must be in writing in the usual common form or in such other form as the directors may approve and must be left at the transfer office where the register of transfers is kept or at such other place as the directors prescribe and must be accompanied by the share certificate and such other evidence as the directors or registrar may require to prove title and capacity of the intending transferor or transferee.

The directors may refuse to register any transfer of certificated securities unless the instrument of transfer, duly stamped, is lodged with the Company accompanied by the share certificate, the transfer is in respect of only one class of securities or the transfer is permitted within any of the Company's incentive schemes.

Conversion of shares into stock

The Company may by special resolution convert any paid-up shares into stock and may reconvert any stock into paid-up shares of any denomination. The holders of stock may transfer their respective interests but the directors may fix the minimum amount of stock transferable. The holders of stock have the same rights, privileges and advantages as regards participation in profits and voting at general meetings of the Company as if they held the shares from which the stock arose. All of the provisions of the Articles apply equally to stock as to shares.

Increase and Reduction of Capital

The Company shareholders may by way of special resolution in a general meeting and in accordance with the provisions of the Companies Act resolve to:

- increase its capital by any sum divided into shares of any amount;
- consolidate and divide all or any part of its share capital into shares of larger amounts or consolidate and reduce the number of any issued no par value shares;
- increase the number of any issued no par value shares without increasing its stated capital;
- cancel any shares which have not been subscribed for;
- subdivide its shares or any of them into shares of smaller amounts than fixed by the memorandum of association;
- vary, modify or amend any rights attached to any shares whether issued or not, including the conversion of any shares into preference shares; and
- convert any of its shares whether issued or not into shares of another class.

In addition, the Company shareholders may, by ordinary resolution in a general meeting and subject to the requirements of the Companies Act and the rules and requirements of the stock exchange on which the securities are listed, reduce, dispose of, distribute or otherwise deal with in any manner its share capital, share premium, stated capital, reserves and capital redemption reserve fund.

Share Premium Account and Capital Redemption Reserve Fund

The Company's shareholders may, by ordinary resolution in a general meeting, authorise the directors to distribute or deal with, in any way recommended by the directors, all or any part of the amount outstanding to the credit of any share premium account or capital redemption reserve fund of the Company.

With effect from 1 January 2010, the provisions of the South African Companies Act pertaining to share capital, share premium capital redemption reserve fund are being amended. From this date, all par

value instruments will be converted to no par value and the applicable reserves will be amalgamated into the stated capital account.

Rights Upon Liquidation

In the event of a winding up of the Company:

- the B preference shares confer the right, in priority to any payment in respect of the shares or the A preference shares in the capital of the Company, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is available for distribution, but not exceeding a return for each B redeemable preference share of the capital paid up on that share and any share premium paid on the issue of the B redeemable preference shares outstanding at that time.
- the A preference shares confer the right, in priority to any payment in respect of the shares but after any payment in respect of the B preference shares, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is then available for distribution.
- The A preference and B preference shares do not confer the right to participation in the surplus funds of the Company arising in any other manner.
- the shares and E-Ordinary shares confer the equal rights to any surplus arising from the liquidation of all other assets of the Company.

Redemption Provisions

The A preference shares may be redeemed for their nominal value, plus a premium per share of an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area, after redemption in full of the B preference shares and payment of the nominal value of the A preference shares, divided by 2,000,000.

The B preference shares may be redeemed for their nominal value, plus a premium of up to ZAR249.99 per share, but limited to an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area after payment of the nominal value of the B preference shares.

The shares are not redeemable.

Shareholders' meetings

The directors may convene general meetings of the Company shareholders. Subject to the provisions of the Companies Act the shareholders may requisition for the convening of a general meeting.

An annual general meeting and a meeting of the Company shareholders for the purpose of passing a special resolution may be called by giving 21 clear days' notice in writing of that shareholders' meeting. For any other meeting of the Company shareholders, 14 clear days' notice must be given. "Clear days" means calendar days excluding the day on which the notice is given and the date of the meeting. All shareholders are entitled to attend.

The Company's articles of association provide that a quorum for a general meeting (other than a meeting at which a special resolution will be passed) consists of three shareholders present personally, or if the shareholders are a corporate entity, represented and entitled to vote. If a general meeting is not quorate, the meeting is dissolved and a new meeting will have to be called following the relevant notice provision.

The quorum of a shareholders' meeting convened for the purpose of passing a special resolution consists of present shareholders personally or by proxy, holding at least 25 percent of the total shareholder votes. If the meeting is not quorate, it will be adjourned to a date between seven and 21

days after the adjourned meeting, and the shareholders present at the second meeting will constitute a quorum as long as there are at least three of them at the second meeting. A special resolution must be passed by a vote of 75 percent of the shareholders present at the meeting, personally or by proxy, and entitled to vote or by a vote of 75 percent of the total votes to which these shareholders are entitled.

If the meeting is not quorate and is convened upon the requisition of shareholders, the meeting is dissolved.

Disclosure of interest in shares

Under South African law, a registered holder of shares who is not the beneficial owner of such shares is required to disclose every three months to the Company the identity of the beneficial owner and the number and class of securities held on behalf of the beneficial owner. Moreover, the Company may, by notice in writing, require a person who is a registered shareholder, or whom the Company knows or has reasonable cause to believe has a beneficial interest in shares, to confirm or deny whether or not such person holds the shares or beneficial interest and, if the shares are held for another person, to disclose to the Company the identity of the person on whose behalf the shares are held. The Company may also require the person to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice.

The Company is obligated to establish and maintain a register of the disclosures described above and to publish in its annual financial statements a list of the persons who hold beneficial interest equal to or in excess of five percent of the total number of shares together with the extent of those beneficial interests.

Rights of Minority Shareholders

Majority shareholders of South African companies have no fiduciary obligations under South African common law to minority shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced by the Company. There may also be common law personal actions available to a shareholder of a company.

Golden Share

Under the Stability Agreement, the Government of Ghana has confirmed and agreed that the Government's rights with respect to the Golden Share apply only in respect of the Company's assets and operations in Ghana. The rights do not extend to any other assets or operations of the Company outside Ghana, nor to any assets or operations of the Company.

The Government of Ghana has also agreed to waive any right it may have under Section 60(I) of the Minerals and Mining Law, 1986, as amended to acquire a special share in the Company or any of its direct or indirect subsidiaries or joint ventures.

The Golden Share may only be held by or transferred to a Minister of the Government or any person acting on behalf of the Government of Ghana and authorised in writing by such Minister.

The following matters require, and will not be effective without, the written consent of the holder of the Golden Share:

- (i) any amendment to or removal of the relevant provisions of the AngloGold Ashanti (Ghana) Limited Regulations setting out the rights and restrictions attaching to the Golden Share;
- (ii) the voluntary winding-up or voluntary liquidation of AngloGold Ashanti (Ghana) Limited;
- (iii) the redemption of or purchase by the Company of the Golden Share;
- (iv) the disposal of any mining lease held by AngloGold Ashanti (Ghana) Limited or any subsidiary of AngloGold Ashanti (Ghana) Limited; and

- (v) any disposal by AngloGold Ashanti (Ghana) Limited (other than any disposal in the ordinary course of business of the Company) which, alone or when aggregated with any disposal or disposals forming part of, or connected with, the same or a connected transaction, constitutes a disposal of the whole or a material part of the assets of the Group taken as a whole. For this purpose, a part of the Group's assets will be considered material if either (a) its book value (calculated by reference to the then latest audited consolidated accounts), or the total consideration to be received on its disposal, is not less than 25 percent of the book value of the net assets of the Group or (b) the average profits attributable to it represent at least 25 percent of the average profits of the Group for the last three years for which audited accounts are available (before deducting all charges, except taxation and extraordinary items).

Upon a return of assets in a winding-up or liquidation of AngloGold Ashanti (Ghana) Limited, the holder of the Golden Share is entitled to the sum of 1,000 cedis (approximately 13 U.S. cents) in priority to any payment to other members, but the Golden Share confers no further right to participate in the profits or assets of the Company. The Golden Share carries no right to any dividend or any right to participate in any offer of securities to existing shareholders or in any capitalisation issue.

The holder of the Golden Share may require AngloGold Ashanti (Ghana) Limited to redeem the Golden Share at any time in consideration of the payment to such holder of 1,000 cedis (approximately 13 U.S. cents).

Other confirmations

- There is no provision in the memorandum and articles of association of the Company regarding the action that is necessary to change the rights of shareholders that is more significant than is required by law; and
- The conditions contained in the memorandum and articles of association of the Company regarding changes in capital are not more stringent than is required by law.

5. Mandatory takeover bids, squeeze-out and sell-out rules

South Africa

The Securities Regulation Panel ("SRP") is the regulatory body in South Africa which publishes and administers the Security Regulation Code on Take-overs and Mergers promulgated under GNR290 on January 1999 ("SRP Code"). The SRP Code applies to all public companies and private companies registered in South Africa where the shareholders' interest and the shareholders' loan capital exceed ZAR5 million. As a consequence the SRP Code specifically applies to the Company.

The SRP Code regulates the protection of shareholders in the context of take-overs of those companies so as to ensure that all shareholders are treated equally and fairly if they are exposed to competing offers.

The SRP Code applies to transactions which result in a change or consolidation of control ("affected transaction") in a company. When a transaction occurs which will result in the acquisition of control or the acquisition of a certain number of securities in excess of the prescribed limit (detailed below), the SRP Code requires that an offer be made to all of the shareholders to acquire all of their securities or such portion of their securities as the SRP on application may determine.

Under Rule 8 of the SRP Code, whenever an affected transaction occurs, then the person or persons ("Offeror") who will acquire control over the company or who acquired further securities in excess of the prescribed limit (see below), shall, unless the SRP rules otherwise, extend offers to holders of any class of equity capital, whether voting or non-voting, and also to holders of any class of non-voting non-equity capital of which such person or persons acting in concert with the Offeror are holders, to acquire all of the securities or such portion of their securities as the SRP on application may determine. In making such determination, the SRP shall have regard to the facts in the case, the general principles of the SRP Code and equity.

The offer shall be for the same or a comparable consideration. Offers for different classes of equity capital shall be comparable and the SRP shall be consulted in advance in such cases.

For purposes of Rule 8, the limit prescribed shall be the acquisition in any period of 12 months of securities carrying more than 5% of the voting rights by the person or persons holding not less than the specified percentage (35%) as at the date of the Prospectus, but not more than 50% of the voting rights in the company.

Under Section 440K of the South African Companies Act, 1973, as amended, if an Offeror has made an offer ("Offer") to acquire the securities held by the shareholders in a target company ("Target") and provided that the holders of not less than 90% of the shares in the Target have accepted such Offer within 4 months of the date of the Offer, then the Offeror may at any time within 2 months after such acceptances give notice to the remaining holders of such securities who have not accepted the Offer ("Non-accepting Shareholders") to acquire their shares in the Target by way of expropriation ("Expropriation").

In the event that there are shareholders who wish to resist such Expropriation the Non-accepting Shareholders may, within 6 weeks from the date on which notice is received of the Expropriation, apply to court to set aside the Expropriation or impose conditions of acquisition different from those contained in the Offer.

Even if the Offer has not been accepted by the requisite majority (90%) a court may, on application of the Offeror, issue an order authorising the Offeror to give notice of Expropriation if the court is satisfied that:

1. after reasonable enquiry it has been unable to trace one or more of the persons holding securities to which the Offer relates; or
2. the securities (the transfer of which is involved) will together with other acceptances of the Offer amount to not less than the requisite 90%; and
3. the consideration proposed in the Offer is fair and reasonable.

A court will not be entitled to issue such an order unless it considers that it is just and equitable to do so having in regard in particular to the number of holders of securities who have been traced but who have not accepted the Offer. (Such an Offer also constitutes an "affected transaction" for purposes of Section 440 of the Companies Act and is also subject to the provisions of the Code.)

The term "affected transaction" has the following meaning:

"any transaction including a transaction which forms part of a series of transactions or scheme, whatever form it may take, which-

- a. taking into account any securities held before such transaction or scheme, has or will have the effect of:
 - vesting control of any company in any person, or two or more persons acting in concert, in whom control did not vest prior to such transaction or scheme; or
 - any person, or two or more persons acting in concert, acquiring or becoming the sole holder or holders of, all the securities, or all the securities of a particular class, of any company (excluding a close corporation); or
- b. involves the acquisition by any person, or two or more persons acting in concert, in whom control of any company of further securities of that company in excess of the limits prescribed in the Code;
- c. is a disposal as contemplated in section 228, being the acquisition of the whole or the greater part of the assets of the company.

Ghana

Takeover activity in Ghana is regulated by the Ghanaian Takeover Rules ('the Ghanaian Rules') and the takeover procedures as stated in the Securities and Exchange Commission's Code on Takeovers and Mergers ('the Ghanaian Takeover Code'). The acquisition of a company's minority shareholding is contained in the Ghanaian Companies Code, 1963 (Act 179) ('the Ghanaian Code').

The Ghanaian Rules apply to non-Ghanaian companies with shares listed on the Ghana Stock Exchange (GSE). As such they apply to the Company. The Ghanaian Rules stipulate that non-Ghanaian companies shall comply with all relevant rules applicable to companies (as modified under the Ghanaian Rules) unless exempted by the GSE, with the approval of the Ghanaian Securities and Exchange Commission (Ghanaian SEC).

In practice, the application of the Ghanaian Rules takes into consideration the rules of the country in which a company is incorporated and the rules of other countries in which the company is listed.

Where a company, such as the Company, is listed on 2 or more exchanges, including Ghana, and the Ghanaian Rules conflict with the rules of the other country (especially in cases, where the Ghanaian Rules conflict with the rules of the country of incorporation), a company may be permitted to apply for exemption from complying with the Ghanaian Rules.

The GSE may, on application by a non-Ghanaian company, accept documents required by the other exchange as valid satisfaction for those required under the Ghanaian Rules, provided that the GSE may request supplementary or explanatory documents.

Under Ghanaian law, there are certain circumstances where a person (person means and includes a natural person or a legal body or organization with legal rights and obligations) shall be obliged to make a takeover offer of a company and shall be required to comply with the takeover procedures in the Ghanaian Takeover Code. These are expatiated as follows:

- Where a person acquires or intends to acquire more than thirty percent (30%) but less than fifty percent (50%) of the voting shares of a public company in any 12-month period; or
- Acquires or intends to acquire fifty percent (50%) or more of the voting shares of the public company; or
- Acquires a company that holds effective control in the public company or together with the shares already held will result in acquiring effective control of the public company.

The squeeze-out and sell-out rules under the Ghanaian Code only apply to companies incorporated in Ghana. As such, they do not apply to the Company

No Takeover Bid

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

6. Principal subsidiaries

The principal subsidiaries of the Company as at 29 April 2009 (being the last practicable date prior to publication of this Prospectus) are set out in the table below. The Company identifies principal subsidiaries as those subsidiaries that hold material contracts and/or act as borrowers and/or guarantors of such material contracts.

	Country of Incorporation	Shares held 31 December 2008	Shares held 31 December 2007	Percentage held	
				% 2008	% 2007
Principal subsidiaries					
AngloGold Ashanti Australia Limited	2	257,462,077	257,462,077	100	100
AngloGold Ashanti Holdings plc	7	3,373,171,254	2,132,183,982	100	100
AngloGold Offshore Investments Limited	5	5,000,000	5,000,000	100	100
AngloGold Ashanti USA Incorporated	11	234	150	100	100
		* 500	* 500		
Operating subsidiaries⁽¹⁾					
AngloGold Ashanti Brasil Mineração Ltda	3	8,827,437,875	8,827,437,875	100	100
AngloGold Ashanti (Ghana) Limited	4	132,419,585	132,419,585	100	100
AngloGold Ashanti (Iduapriem) Limited	4	66,270	66,270	100	100
AngloGold Australia (Sunrise Dam) Pty Limited	2	2	2	100	100
AngloGold Namibia (Pty) Ltd	9	10,000	10,000	100	100
Cerro Vanguardia S.A.	1	13,875,000	13,875,000	92.50	92.50
AngloGold Ashanti (Colorado) Corp ⁽²⁾	11	1,250	1,250	67	67
Geita Gold Mining Limited	10	2	2	100	100
Mineração Serra Grande S.A.	3	499,999,997	499,999,997	50	50
Société Ashanti Goldfields de Guinée S.A.	6	3,486,134	3,486,134	85	85
Société des Mines de Morila S.A.	8	400	400	40	40
Société d'Exploitation des Mines d'Or de Sadiola S.A.	8	38,000	38,000	38	38
Société d'Exploitation des Mines d'Or de Yatela S.A.	8	400	400	40	40
Teberie Goldfields Limited	4	2,066,667	2,066,667	100	100

* Indicates preference shares

(1) All the operating mines in South Africa, namely Great Noligwa, Kopanang, Moab Khotsong, Tau Lekoa, Mponeng, Savuka and Tau Tona, are all held by the parent company, AngloGold Ashanti Limited.

(2) Operates the Cripple Creek & Victor gold mine, a wholly-owned operation.

Principal subsidiaries are those subsidiaries that hold material contracts and/or act as borrowers and/or guarantors of such material contracts.

Country of incorporation – key

1 Argentina	7 Isle of Man
2 Australia	8 Mali
3 Brazil	9 Namibia
4 Ghana	10 Tanzania
5 Guernsey	11 United States of America
6 Republic of Guinea	

The aggregate interest in the net profits and losses in the [principal] subsidiaries are as follows:

	2007 As restated (unaudited) (in U.S.\$ millions)	2008 (audited)
Net profits	138	228
Net losses	(907)	(1,622)
Total	(769)	(1,394)

Save as disclosed above, there are no subsidiary undertakings of the Company which it considers are likely to have a significant effect on the assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company or of the rights attaching to the shares.

7. Principal establishments

In addition to the Mponeng and Sunrise Dam mines (which account for more than 10 percent of net turnover or production of the Company and which are described in Schedule A), the following are the principal establishments of the Company:

Description	Location	Approx. gross internal area (sq metres)	Tenure
Registered Office	Principal 76 Jeppe Street Johannesburg, 2001 (PO Box 62117 Marshalltown 2107)	18,403.5	Leasehold
Principal Office	Level 13, St Martins Tower 44 St George's Terrace Perth, WA 6000	1,364.4	Leasehold

8. Patents, licences and processes

The Company and its subsidiary companies hold the right to use certain proprietary technology and intellectual property, including patented technology and other forms of protected intellectual property. These rights relate to various aspects of the Company's business, from routine software and related computer technology in support of office operations, to intellectual property contained and/or used in the mining and mineral processing operations. The Company and its subsidiary companies, as a group, are not dependent on these various forms of intellectual property for the conduct of their businesses as a whole.

9. Working capital

In the opinion of the directors, the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the 12 months following the date of this Prospectus.

10. Related party transactions

Save as disclosed in the financial information incorporated by reference into this Prospectus (see note 37 to the financial statement for the year ended 31 December 2006, note 37 to the financial statement for the year ended 31 December 2007 and note 35 to the financial statement for the year ended 31 December 2008), there are no related party transactions which the Company had entered into during the financial years ending 31 December 2006, 2007 and 2008.

During the period from 1 January 2009 to 31 March 2009 (being the latest practicable date prior to the publication of this document), the Company has not entered into any related party transactions having a material effect on the Company's operations or financial condition.

11. Material contracts

Except as described below, the Company has not entered into any material contracts (other than in the ordinary course of business) during the past two years.

On 25 February 2009, AngloGold Ashanti Holdings plc entered into an agreement with Standard Chartered Bank to amend the terms of the 2008 Term Facility. The amendment will become effective upon prepayment of between U.S.\$500 million and U.S.\$750 million, at the election of AngloGold Ashanti Holdings plc, of the amount outstanding under the 2008 Term Facility prior to 26 August 2009. Upon the prepayment:

- of U.S.\$750 million, U.S.\$250 million (being the remaining amount outstanding after the prepayment) will be converted into a new term loan due one year from the date of the first drawdown under the 2008 Term Facility, which occurred on 26 February 2009, subject to AngloGold Ashanti Holdings plc's option to extend that maturity date for one additional year; or
- of between U.S.\$500 million and U.S.\$750 million, with respect to the amount outstanding after the prepayment, up to: (i) U.S.\$250 million will be converted into a new term loan with the same maturity as described above and, (ii) the amount equal to the difference between the prepayment and U.S.\$750 million will be converted into a new revolving facility loan of up to U.S.\$250 million.

Upon effectiveness of the amendment to the 2008 Term Facility, the new term loan and any amounts outstanding under the new revolving credit facility, if any, will bear an interest margin over the higher of: (i) the applicable LIBOR and, (ii) the lender's cost of funds, subject to a cap of LIBOR plus 1.25 percent per annum, of 4.25 percent per annum. The Company intends to refinance the 2008 Term Facility through one or more of the following: the proceeds from the sale of the Company's interest in the Boddington project and other asset sales, long-term debt financing and/or the issuance of an equity-linked instrument. The nature and the timing of the refinancing of the 2008 Term Facility will depend upon market conditions. The Company cannot be sure that it will be able to finance the 2008 Term Facility on commercially reasonable terms, if at all. To the extent that the 2008 Term Facility is repaid through the proceeds from the Boddington disposal the associated fees under the 2008 Term Facility will be recognised in the current fiscal year.

On 16 February 2009, the Company entered into a Sale and Purchase Agreement with Simmer & Jack Mines Limited ("Simmers") under which the Company agreed to sell, with effect from 1 January 2010 (or after), the Tau Lekoa mine together with the adjacent Weltevreden and Goedgenoeg project areas to Simmers for an aggregate consideration of:

- ZAR600 million less an offset up to a maximum of ZAR150 million for unhedged free cash flow (net cash inflow from operating activities less stay-in-business capital expenditure) generated by the Tau Lekoa mine in the period between 1 January 2009 and 31 December 2009 as well as an offset for unhedged free cash flow generated by the Tau Lekoa mine in the period between 1 January 2010 and the effective date of the transaction. Consequently, the Company will retain all unhedged free cash flow generated from the Tau Lekoa mine for the year ending 31 December 2009 greater than ZAR150 million. Simmers will endeavour to settle the transaction consideration (ZAR600 million less the offsets referred to above) entirely in cash,; however, Simmers may issue Shares in Simmers up to a maximum value of ZAR150 million with the remainder payable in cash; and
- a royalty, determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa mine and any operations as developed at Weltevreden and Goedgenoeg. The royalty will be payable quarterly for each quarter commencing from 1 January 2010 until the total production from the assets upon which the royalty is paid is equal to 1.5 million ounces and provided that the average quarterly rand price of gold is equal to or exceeds ZAR180,000 per kilogram (in 1 January 2010 terms).

The effective date of the transaction will occur on the later of 1 January 2010 or the first day in the calendar month following the fulfilment of all conditions precedent to the transaction. The principal conditions precedent include, the receipt of all Ministerial Consents and/or other Government agency approvals in South Africa, as required to transfer all rights, title and interests to the mining properties forming part of the Sale Assets, if and to the extent required, the approval of the Transaction by Simmers shareholders and certain regulatory and other third party approvals, if and to the extent required, including the South African Reserve Bank, the JSE Limited and the South African Competition Commission.

The Company will continue to operate Tau Lekoa with appropriate joint management arrangements with Simmers until the effective date. In addition, following the effective date, Simmers will treat all ores produced from the assets at its own processing facilities. As a result, the Company will have increased

processing capacity available, allowing for the processing of additional material sooner from its other Vaal River mines and surface sources, thereby further accelerating cash flow from these other operations.

On 27 January 2009, the Company entered into a Sale and Purchase Agreement with Newmont Mining Corporation under which the Company agreed to sell its 33.33 percent interest in the Boddington joint venture (the "Boddington Sale") to Newmont Mining Corporation ("Newmont"). The Company expects to close the Boddington Sale in the second quarter of 2009, subject to the satisfaction or waiver of the remaining condition precedent.

The valuation date for the Boddington Sale is 1 January 2009, and closing adjustments will be made to reflect the Company's economic ownership position from that date. Consideration for the Boddington Sale will consist of (i) U.S.\$750 million payable in cash at closing, (ii) U.S.\$240 million (the "Deferred Payment") payable in cash, in shares of Newmont common stock or in a combination of cash and shares of Newmont common stock at Newmont's option, and (iii) a royalty, payable quarterly in arrears, equal to 50 percent of the average realised operating margin (if any) exceeding U.S.\$600 per ounce, payable on one-third of the gold production from the Boddington project, subject to a maximum aggregate royalty of U.S.\$100 million. If Newmont elects to pay any part of the Deferred Payment using Newmont common stock, the shares must be delivered to the Company on or before 10 December 2009 and the number of shares to be issued will be determined by dividing the dollar amount of that part of the Deferred Payment by the volume weighted average price that Newmont's common stock trades on the New York Stock Exchange over the five-trading day period immediately prior to such date. Pursuant to the Sale and Purchase Agreement, Newmont has granted the Company registration rights with respect to such shares, if issued. If any part of the Deferred Payment is made in cash, such cash payment must be made on or before 31 December 2009.

On 20 November 2008 the Company entered into the 2008 Term Facility to refinance the \$1 billion convertible bond issued by AngloGold Ashanti Holdings plc due 27 February 2009. The terms and covenants of the 2008 Term Facility are similar to those of the syndicated loan facility. The entire amount of the 2008 Term Facility was drawn down on 26 February 2009 to redeem the U.S.\$1 billion convertible bond upon its maturity. The 2008 Term Facility is for an initial one year period from the date of first drawdown and is extendible, if required, at the option of AngloGold Ashanti Holdings plc until 30 November 2010. The amounts drawn under the 2008 Term Facility bear an interest margin over the lenders' cost of funds (subject to a cap of 1.75 times applicable LIBOR) of 4.25 percent per annum until six months after the date of first drawdown and 5.25 percent per annum thereafter. The Company, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited, as guarantors, have each guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc and the other guarantors under the Term Facility. The Company's interest expense will increase substantially as a result of the higher interest rates and fees associated with the Term Facility. Based on an assumed cost of funds of 100 basis points, the effective borrowing cost (including fees and applicable margin) on the 2008 Term Facility is estimated at approximately 10 percent per annum. Amounts outstanding under the 2008 Term Facility may be prepaid at any time prior to the maturity date.

On 31 July 2008, the Company entered into a letter agreement with Eldorado Gold Corporation ("Eldorado") to acquire 100 percent of Eldorado's wholly owned subsidiary, São Bento Gold Limited ("São Bento Gold"), which in turn wholly owns São Bento Mineração S.A. ("SBMSA") and on 17 October 2008 a definitive sale and purchase agreement was entered into for the acquisition of Sao Bento Gold ("the transaction") in accordance with, but which agreement superseded and replaced, the letter agreement. SBMSA holds the São Bento mine, a Brazilian gold operation located in the immediate vicinity of the Company's proposed Córrego do Sito mine. Córrego do Sito is part of AngloGold Ashanti Mineração Ltda and is located in the municipality of Santa Bárbara, Iron Quadrangle region of Minas Gerais State, Brazil. The consideration for the transaction was U.S.\$70 million and was settled by the issue of Company shares. The terms of the definitive agreement contained, inter alia, provisions on regulatory, ministerial and other governmental approvals and conditions precedent to closing as well as representations, warranties and indemnities customary for a transaction of this nature. The transaction closed on 17 December 2008. A registration statement on Form F-4 was filed with the SEC for the registration of the Company's shares issued as the transaction consideration.

On 14 January 2008, the Company announced that it was to acquire Golden Cycle Gold Corporation ("GCGC"), through a merger transaction in which GCGC's shareholders would receive consideration of the Company's shares and ADSs representing an aggregate amount of U.S.\$109 million. GCGC was listed on the NYSE ARCA exchange and is a Colorado based holding company with its primary investment in Cripple Creek & Victor Gold Mining Company ("CC&V") located in Colorado, United States. The transaction was implemented as a statutory merger under Colorado law and was subject to the approval of GCGC shareholders. The terms of the transaction were finalised in July 2008 under a merger agreement (the "GCGC Merger Agreement"), with closing effective as of 1 July 2008. Under the terms of the GCGC Merger Agreement, the consideration for the transaction included the following:

- GCGC shareholders received 0.3123 Company ADSs per share of GCGC's common stock. This merger exchange ratio was increased from 0.29 Company ADSs per share of GCGC's common stock to take account of the Rights Offer, so as to place holders of GCGC common stock in the same economic position after the Rights Offering as they would have been before the Rights Offer, to account for the fact that they could not participate in the Rights Offer as they were not registered holders of the Company's ADSs by the record date of the Rights Offer (the exchange ratio of 0.29 Company ADSs per share of GCGC's common stock was agreed and announced prior to the announcement of the Rights Offer); and
- a cashless exercise for the acquisition of options to purchase GCGC common stock, determined using a Black Scholes calculation and settled by the issue of the Company's ADSs.

The Merger Agreement also contained provisions relating to GCGC shareholder and board support and recommendation, exclusivity and restrictions on GCGC's ability to solicit counter offers to the transaction as well as break fees which would have applied in the event that the Merger Agreement was terminated in certain circumstances. The transaction was subject to various conditions precedent customary for a transaction of this nature including the receipt of all necessary regulatory approvals and there having been no material adverse change as regards to GCGC or CC&V prior to closing. A registration statement on Form F-4 was filed with the SEC for the registration of the Company's ADSs issued as part of the transaction's consideration.

12. Statutory auditors

Ernst & Young Inc., whose address is Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, 2196, South Africa, is the independent public auditor of the Company. Ernst & Young Inc. is registered with the Independent Regulatory Board of Auditors in South Africa to carry out audit work.

The consolidated financial statements of the Company for the years ended and as at 31 December 2006, 2007 and 2008 have been audited without qualification by Ernst & Young Inc. as stated in the reports appearing therein. The restated financial information for the year ended and as at 31 December 2007 has not been audited.

13. Third-party information

The Company confirms that the information contained in the document sourced from any third party has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by any such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus the source of such information has been identified.

14. No significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2008, the date to which the last audited consolidated accounts of the Group were prepared.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the corporate headquarters of the Company at 76 Jeppe Street, Johannesburg, 2001, PO Box 62117, Marshalltown 2107, Republic of South Africa or at the offices of Shearman & Sterling (London) LLP at Broadgate West, 9 Appold Street, London EC2A 2AP, United Kingdom for a period of 12 months from the date of admission of the New Shares:

- the memorandum and articles of association of the Company;
- Circular approved by the JSE;
- the annual reports and audited financial statements of the Company for the years ended and as at 31 December 2006, 2007 and 2008; and
- this document.

SCHEDULE A

AngloGold Limited was founded in June 1998 through the consolidation of the gold mining interests of AA plc. The Company as it is now, was formed on 26 April 2004 following the business combination between AngloGold Limited and Ashanti Goldfields Company. The Company is currently the third largest gold producing mining company in the world by ounces sold.

On 17 March 2009, AA plc announced that it had sold its remaining interest in the Company to investment funds managed by Paulson & Co Inc.

Current Profile

The Company, headquartered in Johannesburg, South Africa, is a global gold company with a portfolio of long-life, relatively low-cost assets and differing ore body types in key gold producing regions. The Company's 21 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States of America) and are supported by extensive exploration activities. The combined proved and probable ore reserves of the Group amounted to 73.5 million ounces as at 31 December 2008.

The primary listing of the Company's shares is on the JSE Limited ("JSE") in South Africa. Its shares are also listed on stock exchanges in London, Paris and Ghana, as well as being quoted in Brussels in the form of International Depositary Receipts ("IDRs"), in New York in the form of American Depositary Shares ("ADS"s), in Australia, in the form of Clearing House Electronic Subregister System Depositary Interests ("CDI"s) and in Ghana, in the form of Ghanaian Depositary Shares ("GhDS"s).

The Company (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company and operates under the South African Companies Act 61 of 1973, as amended. Its principal office is at 76, Jeppe Street, Newtown, Johannesburg, South Africa, 2001.

History and Development of the Company

Below are highlights of key corporate activities of the Company from its formation in 1998:

1998

- Formation of AngloGold Limited through the consolidation of East Rand Gold and Uranium Company; Eastvaal Gold Holdings Limited; Southvaal Holdings Limited; Free State Consolidated Gold Mines Limited; Elandsrand Gold Mining Company; H.J. Joel Gold Mining Company and Western Deep Levels Limited into a single, focused, independent, gold mining company. Vaal Reefs Exploration and Mining Company (Vaal Reefs), the vehicle for the consolidation, changed its name to AngloGold Limited and increased its authorised share capital, effective 30 March 1998

1999

- Purchased Minorco's gold interests in North and South America
- Acquired Acacia Resources in Australia
- Acquired minority shareholders interest in Driefontein Consolidated Limited (17 percent); Anmercosa Mining (West Africa) Limited (100 percent); Western Ultra Deep Levels Limited (89 percent); Eastern Gold Holdings Limited (52 percent); Erongo Mining and Exploration Company Limited (70 percent)

2000

Acquired:

- a 40 percent interest in the Morila mine in Mali from Randgold Resources Limited
- a 50 percent interest in the Geita mine in Tanzania from Ashanti Goldfields Company (Ashanti)
- a 25 percent interest in OroAfrica, South Africa's largest manufacturer of gold jewellery

2001

- Sold the Elandsrand and Deelkraal mines to Harmony Gold Mining Company (Harmony); disposed of its interests in No. 2 Shaft Vaal River Operations to African Rainbow Minerals (ARM) and made an unsuccessful take-over bid for Normandy Mining Limited

2002

- Sold the Free State assets to ARM and Harmony
- Acquired an additional 46.25 percent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, thereby increasing its interest in Cerro Vanguardia to 92.5 percent

2003

- Disposed of its wholly-owned Amapari project to Mineração Pedra Branca do Amapari
- Sold its 49 percent stake in the Gawler Craton Joint Venture, including the Tunkillia project located in South Australia to Helix Resources Limited
- Sold its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc
- Disposed of its entire investments in East African Gold Mines Limited and in Randgold Resources Limited
- Purchased a portion of the Driefontein mining area in South Africa from Gold Fields Limited

2004

- Sold its Western Tanami project to Tanami Gold NL in Australia
- Concluded the business combination with Ashanti Goldfields Company, at which time the Company changed its name to AngloGold Ashanti
- Acquired the remaining 50 percent interest in Geita as a result of the business combination
- AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of U.S.\$1 billion principal amount 2.375 percent convertible bonds, due 2009 and guaranteed by the Company
- Acquired a 29.8 percent stake in Trans-Siberian Gold plc
- Sold its Union Reefs assets to the Burnside Joint Venture, comprising subsidiaries of Northern Gold NL (50 percent) and Harmony (50 percent)
- Sold its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited
- Sold its 40 percent equity interest in Tameng Mining and Exploration (Pty) Limited of South Africa (Tameng) to Mahube Mining (Pty) Limited

- Subscribed for a 12.3 percent stake in the expanded issued capital of Philippines explorer Red 5 Limited

2005

- Substantially restructured its hedge book in January 2005
- Signed a three-year U.S.\$700 million revolving credit facility
- Disposed of exploration assets in the Laverton area in Australia
- Disposed of its La Rescatada project to ARUNANI SAC, a local Peruvian corporation
- Acquired an effective 8.7 percent stake in China explorer, Dynasty Gold Corporation
- The Director-General of Minerals and Energy notified the Company in August 2005 that its application for the new order mining rights in terms of the South African Mineral and Petroleum Resources Development Act had been granted

2006

- Raised approximately U.S.\$500 million in an equity offering
- Acquired two exploration companies, Amikan and AS APK, from TSG as part of the Company's initial contribution towards its strategic alliance with Polymetal
- Formed a new company with B2Gold (formerly Bema Gold) to jointly explore a select group of mineral opportunities located in northern Colombia, South America
- the Company (U.S.A.) Exploration Inc, International Tower Hill Mines Ltd ("ITH") and Talon Gold Alaska, Inc. ("Talon"), a wholly-owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby the Company sold to Talon a 100 percent interest in six Alaskan mineral exploration properties and associated databases in return for an approximate 20 percent interest in ITH. The Company has the option to increase or dilute its stake in these projects, subject to certain conditions
- Disposed of its entire business undertaking related to the Bibiani mine and Bibiani North prospecting permit to Central African Gold plc
- Entered into a 50:50 strategic alliance with Russian gold and silver producer, OAO Inter-Regional Research and Production Association Polymetal (Polymetal), in terms of which Polymetal and the Company would cooperate in exploration and the acquisition and development of gold mining opportunities within the Russian Federation
- Implemented an empowerment transaction with two components: the development of an employee share ownership plan ("ESOP") and the acquisition by Izingwe Holdings (Proprietary) Limited (an empowerment company) of an equity interest in the Company

2007

- Acquired the minority interests previously held by the Government of Ghana (5 percent) and the International Finance Corporation (10 percent) in the Iduapriem and Teberebie mines
- Anglo American plc sold 69.1 million shares, thereby reducing Anglo American's shareholding in the Company from 41.7 percent to 16.6 percent
- Announced the successful closing of a U.S.\$1.15 billion syndicated revolving credit facility

2008

- Issued 69,470,442 shares in the fully subscribed Rights Offer and raised approximately U.S.\$1.7 billion
- Acquired GCGC through the issue of 3,181,198 shares, resulting in CC&V becoming a wholly-owned subsidiary
- Sold entire holding in Nucor International Limited to Constellation Energy Commodities Group Limited
- Acquired São Bento Gold Company through the issue of 2,701,660 shares with the ultimate intention of doubling production from the Córrego do Sítio project
- Entered into a U.S.\$1 billion Syndicated Term Facility Agreement to be used to redeem the U.S.\$1 billion convertible bonds due February 2009

The following announcements regarding significant developments were made by the Company during 2008 and subsequent to year-end:

On 14 January 2008, the Company announced that it had agreed to acquire 100 percent of GCGC through a transaction in which GCGC's shareholders would receive 29 of the company's ADRs for every 100 shares of GCGC common stock held. GCGC held a 33 percent shareholding in CC&V while the Company held the remaining 67 percent. The transaction would result in CC&V being wholly-owned by the Company.

On 18 January 2008, the Company provided operation guidance to its fourth quarter 2007 results, in which it was stated that the Company's South African and Geita operations had experienced production difficulties resulting in the Group's production for the quarter to be in the region of 1.4 million ounces.

On 25 January 2008, the Company announced that following notification from Eskom regarding interruptions to power supplies, it had halted mining and gold recovery operations on all of its South African operations. Only underground emergency pumping work was being carried out.

On 27 January 2008, the Company announced that it had agreed to a process with Eskom whereby the supplier would give its normal guarantees for sufficient power for the Company to undertake shifts from that day for the purpose of re-establishing safe workplaces at each of the deep level underground mines in South Africa. Eskom was anticipating a ramp up in additional power later in the week that should enable a phased return to normal mining operations. A protocol had also been agreed to with the electricity supplier whereby Eskom will provide the Company with four hours warning, prior to having to reduce power supply.

On 29 January 2008, the Company announced that following a meeting between Eskom and industrial electricity consumers, the Company had commenced the process of bringing back into production all of its underground mines and their associated gold treatment plants. On 7 February 2008, the Company stated that following extensive discussions with Eskom and the government, a power supply of 90 percent had been offered which has resulted in first quarter production from the South African operations being severely disrupted. Equally important is Eskom's ability to maintain a continuous power supply at a 90 percent level in order to return to normal production levels and milling rates.

On 14 February 2008, the Company announced that it had entered into a binding memorandum of agreement ("MOA") with B2Gold Corp. ("B2Gold"). The MOA provided for the existing Colombian joint venture agreements between the Company and B2Gold to be amended. B2Gold would also acquire from the Company additional interests in certain mineral properties in Colombia. In exchange, B2Gold would issue to the Company 25 million common shares and 21.4 million common share purchase warrants in B2Gold. On 16 May 2008, the Company announced that it had completed the transaction to acquire a 15.9 percent direct interest in B2Gold and increase B2Gold's interest in certain Colombian properties, as stated.

On 6 May 2008, the Company announced the retirement of Mrs E le R Bradley from the board effective 6 May 2008.

On 6 May 2008, the Company announced the completion of the initial JORC-compliant resource estimate for the La Colosa deposit, the second significant greenfields discovery (Gramalote being the first) in Colombia, which was discovered by the Company's Colombian greenfields exploration team during 2006. The project, which is 100 percent owned by the Company, is located 150km west of Colombia's capital city, Bogota, in the district of Tolima.

On 29 May 2008, the Company announced its amendment to the transaction agreement to acquire 100 percent of GCGC to adjust the consideration that GCGC shareholders receive from 0.29 of the company's ADRs to 0.3123 of the Company ADRs to account for the effects of the Rights Offer announced on 23 May 2008. GCGC shareholders approved the transaction on 30 June 2008 at a general meeting and the transaction became effective on 1 July 2008, at which time the Company acquired the remaining 33 percent shareholding in CC&V. A total of 3,181,198 of the Company ADRs were issued pursuant to this transaction.

On 26 June 2008, the Company announced that the Johannesburg High Court ruled that the exception lodged by the Company in respect of Mr Thembekile Mankayi's claim for damages against the Company had been upheld. Mr Mankayi had lodged a ZAR2.7 million claim in respect of occupational lung disease allegedly sustained during his employment at the Company's then Vaal Reefs mine in the 1990s. The finding confirms that employees who qualify for benefits in respect of the ODMWA may not, in addition, lodge civil claims against their employers in respect of their relevant conditions.

Shareholders at a general meeting held on 22 May 2008 approved the issue of New Shares to the Company ordinary and E-Ordinary Shareholders by way of the Rights Offer at a ratio of 24.6403 rights offer shares for every 100 shares held on the record date of 6 June 2008. The final terms of the Rights Offer were announced on 23 May 2008, resulting in a total of 69,470,442 New Shares being offered to shareholders at a subscription price of ZAR194.00 per Share. On 7 July 2008, the Company announced that the Rights Offer closed on 4 July 2008 and that 68,105,143 shares had been subscribed for (98 percent of rights offered) which shares were issued on 7 July 2008. Applications to acquire additional shares amounting to 400,468,713 shares (or 576.5 percent) had been received, and the remaining 1,365,299 shares were issued on 11 July 2008. A total of ZAR13.477 billion (approximately U.S.\$1.7 billion) was raised.

On 29 July 2008, the Company announced the resignation of Simon Thompson from the board, effective 28 July 2008.

On 30 September 2008, the Company announced that following the publication of the unaudited results under IFRS for the quarter and six months ended 30 June 2008, it reassessed the accounting estimate for income taxes, for the effects and impact of the accelerated non-hedge derivative settlements in accordance with IAS34 – Interim Financial Reporting. Following this reassessment, the income tax expense was reduced by ZAR641 million (U.S.\$81 million) for the period. This was as a result of IAS34 requiring that the income tax expense for interim reporting purposes to be calculated by applying to an interim period's pre-tax income, the estimated average annual effective income tax rate that would be applicable to the expected total annual earnings. It should be noted that the overprovision would have been reversed by financial year-end and therefore would not have had any effect on the full year's income tax expense and earnings. Nevertheless, in compliance with IAS34, the Company decided to revise its results for the quarter and six months ended 30 June 2008, thereby resolving this matter.

On 21 November 2008, the Company announced that it had entered into the 2008 Term Facility to refinance its convertible bond. The 2008 Term Facility would be drawn during February 2009 for the purpose of repaying the U.S.\$1 billion convertible bond due on 27 February 2009 issued by AngloGold Ashanti Holdings plc and guaranteed by the Company. The 2008 Term Facility is for an initial one year period from the date of the first drawdown in February 2009 and the 2008 Term Facility is extendable, if required, at the option of the Company until 30 November 2010. The covenant terms of the 2008 Term Facility are similar to those of the Company's existing U.S.\$1.15 billion revolving credit facility. Amounts drawn under the 2008 Term Facility will bear an interest margin of 4.25 percent for the first six months

after the first drawdown and 5.25 percent thereafter. The U.S.\$1 billion convertible bond matured on 27 February 2009 and was redeemed by the Company using the proceeds from the 2008 Term Facility that had been arranged for this purpose. Subsequent to the year end, the Company has signed an agreement with Standard Chartered amending the terms of the 2008 Term Facility.

The amendment will become effective upon prepayment of between U.S.\$500 million and U.S.\$750 million, at the option of AngloGold Ashanti Holdings plc, of the amount outstanding under the term facility and the satisfaction of certain other conditions, in each case, prior to 26 August 2009. Upon the prepayment:

- of U.S.\$750 million, U.S.\$250 million (being the remaining amount outstanding after the prepayment) will be converted into a new term loan due one year from the date of first drawdown under the 2008 Term Facility (which occurred on 26 February 2009), subject to AngloGold Ashanti Holdings plc's option to extend that maturity date for one additional year; or
- of between U.S.\$500 million and U.S.\$750 million, with respect to the amount outstanding after the prepayment, up to (i) U.S.\$250 million will be converted into a new term loan with the same maturity as described above and (ii) the amount equal to the difference between the prepayment and U.S.\$750 million will be converted into a new revolving facility loan of up to U.S.\$250 million.

Upon effectiveness of the amendment to the 2008 Term Facility, the new term loan and any amounts outstanding under the new revolving credit facility (if any) will bear an interest margin of 4.25 percent per annum over the higher of (i) the applicable LIBOR and (ii) the lender's cost of funds (subject to a cap of LIBOR plus 1.25 percent per annum).

On 15 December 2008, the Company announced that it had completed the purchase of São Bento Gold Company and its wholly-owned subsidiary, SBMSA from Eldorado for a consideration of U.S.\$70 million through the issuance of 2,701,660 shares. This follows an announcement made on 31 July 2008, when the Company announced it had entered into a letter agreement with Eldorado to acquire 100 percent of Eldorado's wholly-owned subsidiary, SBG, which company in turn wholly owns SBMSA. The purchase of SBG and SBMSA gives the Company access to the São Bento mine, a gold operation situated in the immediate vicinity of the Company's Córrego do Sítio mine, located in the municipality of Santa Bárbara, Iron Quadrangle region of Minas Gerais State, Brazil, and provides the Company with the potential to double the scale of the Córrego do Sítio mine, which once developed will significantly enhance the Company's Brazilian asset base. São Bento started its operations in 1986 and operated until January 2007, at which time São Bento's process plant and facilities were placed on care and maintenance.

On 23 January 2009, AngloGold Ashanti Australia Ltd announced that Mineral Resource increased for the Tropicana Gold Project in Western Australia. The Tropicana Gold Project, located 330 kilometres east north-east of Kalgoorlie, is part of the Tropicana Joint Venture, which is 70 percent owned by AngloGold Ashanti Australia (the manager) and 30 percent by Independence Group NL. The Measured, Indicated and Inferred Mineral Resource for the project is now 75.3 million tonnes grading 2.07 grams/tonne for 5.01 million ounces of gold. This represents an increase of approximately 1 million ounces from the first Mineral Resource estimate released for the project in December 2007, and the new estimate is predominantly in the Measured and Indicated category, providing a higher level of confidence. AngloGold Ashanti Australia's share of the upgraded resource is 3.51 million ounces.

On 28 January 2009, the Company announced that it had agreed to sell its indirect 33.33 percent joint venture interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation ("NMC") for an aggregate consideration of approximately up to U.S.\$1.1 billion. The consideration for the sale of Boddington, which is expected to close in the second quarter of 2009, involves the following elements:

- an upfront cash consideration on closing of the sale of U.S.\$750 million;

- a deferred payment due at the end of 2009 of U.S.\$240 million, payable in cash or freely tradable NMC shares;
- full reimbursement upon closing of all cash calls for the project funded by the Company during 2009;
- royalty payments of up to U.S.\$100 million payable quarterly from after mid-2010, subject to the project achieving a cash cost margin in excess of U.S.\$600 per ounce; and
- a payment from the Company to NMC of U.S.\$8 million upon closing, being the Company's share of Boddington's working capital liability at 31 December 2008.

In addition to saving on budgeted capital expenditure of A\$269 million during 2009, the proceeds from the sale to be received in 2009 (net of capital gains tax) is expected to be approximately U.S.\$907 million.

On 17 February 2009, the Company announced that it had agreed to sell, with effect from 1 January 2010 (or after), the Tau Lekoa mine together with the adjacent Weltevreden and Goedgenoeg project areas to Simmers for an aggregate consideration of:

- ZAR600 million less an offset up to a maximum of ZAR150 million for unhedged free cash flow (net cash inflow from operating activities less stay-in-business capital expenditure) generated by the Tau Lekoa mine in the period between 1 January 2009 and 31 December 2009 as well as an offset for unhedged free cash flow generated by the Tau Lekoa mine in the period between 1 January 2010 and the effective date of the transaction. Consequently, the Company will retain all unhedged free cash flow generated from the Tau Lekoa mine for the year ending 31 December 2009 greater than ZAR150 million. Simmers will endeavour to settle the transaction consideration (ZAR600 million less the offsets referred to above) entirely in cash; however, Simmers may issue to shares in Simmers up to a maximum value of ZAR150 million with the remainder payable in cash; and
- a royalty, determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa mine and any operations as developed at Weltevreden and Goedgenoeg. The royalty will be payable quarterly for each quarter commencing from 1 January 2010 until the total production from the assets upon which the royalty is paid is equal to 1.5 million ounces and provided that the average quarterly rand price of gold is equal to or exceeds ZAR180,000 per kilogram (in 1 January 2010 terms).

The effective date of the transaction will occur on the later of 1 January 2010 or the first day in the calendar month following the fulfilment of all conditions precedent to the transaction. The Company will continue to operate Tau Lekoa with appropriate joint management arrangements with Simmers until the effective date. In addition, following the effective date, Simmers will treat all ores produced from the assets at its own processing facilities. As a result, the Company will have increased processing capacity available, allowing for the processing of additional material sooner from its other Vaal River mines and surface sources, thereby further accelerating cash flow from these other operations.

On 17 March 2009 AA plc announced that it had sold its remaining 11.3 percent shareholding (39,911,282, shares) in the Company to investment funds managed by Paulson & Co Inc.

On 9 April 2009, the Company announced that Mr J H Mensah and Mr R E Bannerman had given notice of their intention to retire from the board at the close of the annual general meeting to be held on 15 May 2009. In addition, Prof Nkuhlu advised the Company of his impending resignation from the board, given his standing for political office in the 2009 general elections in South Africa. Prof Nkuhlu resigned from the board at the conclusion of the meeting held on 5 May 2009 to approve the filing with the SEC of the Company's annual report on Form 20-F.

Business Overview

Products

The Company's main product is gold. Revenue is also derived from the sales of silver and uranium oxide. The Company sells its products on world markets.

The Gold market in 2008

Product and Marketing Channels

Gold accounts for approximately 98 percent of the Company's revenue from product sales. The balance of product sales is derived from sales of silver, uranium oxide and sulphuric acid. The Company sells its products on international markets.

Gold produced by the Company's mining operations is processed to a saleable form at various precious metals refineries. Once refined to a saleable product – generally large bars weighing approximately 12.5 kilograms and containing 99.5 percent gold, or smaller bars weighing 1.0 kilogram or less with a gold content of 99.5 percent and above – the metal is sold either through the refineries' channels or directly to bullion banks and the proceeds paid to the Company.

Bullion banks are registered commercial banks that deal in gold. They participate in the gold market by buying and selling gold and distribute physical gold bullion bought from mining companies and refineries to physical offtake markets worldwide. Bullion banks hold consignment stocks in all major physical markets and finance these consignment stocks from the margins charged by them to physical buyers, over and above the amounts paid by such banks to mining companies for the gold.

Where forward sales contracts exist against which the Company delivers physical product, the same channel of the refinery is used. In this case, the refinery does not sell the metal on the Company's behalf, but instead delivers the finished gold bars to the bullion bank with which the Group's forward contract is held. The physical delivery to the counterpart bank of the appropriate amount of gold fulfils the Company's obligations under the forward contract, and the Company is paid for this gold by the relevant bullion bank, at the price fixed under the forward contract, rather than at the spot price of the day.

Gold Market Characteristics

Gold price movements are largely driven by macro-economic factors such as expectations of inflation, currency fluctuations, interest rate changes or global or regional political events that are anticipated to impact on the world economy. Gold has played a role historically as a store of value in times of price inflation and economic uncertainty. This factor, together with the presence of significant gold holdings above ground, tends to dampen the impact of supply/demand fundamentals on the market. Trade in physical gold is, however, still important in determining a price floor, and physical gold, either in the form of bars or high-caratage jewellery, is still a major investment vehicle in the emerging markets of India, China and the Middle East. Gold is relatively liquid compared to other commodity markets and significant depth exists in futures and forward gold sales on the various exchanges, as well as in the over-the-counter market.

Trends in Physical Gold Demand

Physical gold demand is dominated by the jewellery industry and the investment sector, which together account for almost 90 percent of total demand. The balance of gold supply is used in dentistry, electronics and medals.

While the quantity of gold used in jewellery consumption has decreased over the last decade, the investment market has largely taken up available supply. Investments in physical gold includes bar hoarding, coins, medals and other retail investment instruments as well as exchange traded funds ("ETF"s), which have, since their inception in 2002, become well established as a vehicle for both retail

and institutional investors and are now the sixth largest holder of gold, after the major central banks and IMF.

Newly-mined gold is not the only source of physical gold onto the market and, in fact, accounts for just over 60 percent of supply. Due to its high value, gold is rarely destroyed and some 161,000 tonnes of gold (approximately 65 years of new mine supply at current levels) is estimated to exist in the form of jewellery, official sector gold holdings (central bank reserves) and private investment. In 2008, gold was supplied onto the market from newly-mined production (2,385 tonnes), sales of gold by central banks (485 tonnes) as well as from sales of scrap gold (977 tonnes), largely from the jewellery trade.

Gold Demand by Sector

Jewellery demand

Geographically, just less than 80 percent of gold jewellery demand now originates in emerging markets, in comparison to 64 percent a decade ago. The major markets for gold jewellery are India, China, the Middle East and the United States. The Russian market has also seen recent strong growth, and was the sixth largest single market for gold jewellery in 2008, with demand at just under 100 tonnes. In the economies of India and the sub-continent, gold jewellery is purchased as a quasi-investment product. High-caratage jewellery is sold at a relatively small margin to the spot gold price, which is generally transparent to the consumer, and is therefore easily re-sold to jewellers or bullion traders when cash is required or when the jewellery is out of date and needs to be refashioned.

India accounts for more than 20 percent of global gold jewellery demand and is by far the largest market for gold in jewellery. It also accounted for more than 20 percent of identifiable investment demand in the sector in 2008. Total bullion imports to India, though they may fluctuate significantly according to price movements during the year, have risen steadily over the last decade.

The characteristics of the gold market in the Middle East are similar, although an important difference is the exceptionally high per capita ownership of gold in some of the countries of that region. In the United Arab Emirates, for example, consumption per capita is some 30 times that in the U.S. or the U.K. and some 50 times higher than in India. The Middle Eastern market accounted for over 300 tonnes of gold demand in 2008 or approximately 15 percent of the global total. Turkey, Saudi Arabia and the United Arab Emirates are the largest consumers within this market.

In China, approximately 80 percent of gold is sold in the form of high caratage jewellery which is easily traded, similar to the Indian and Middle Eastern markets. The balance of gold in China is sold in the form of 18 carat jewellery. Although introduced to the market only in 2002, sales in this category of jewellery have grown quickly due to its appeal to a rapidly-growing market segment of young, independent urban women. An important feature of the Chinese market in recent years has been the relatively stable nature of gold demand, particularly in comparison to the Indian and Middle Eastern markets, where volatility typically causes price-sensitive consumers to hold back on jewellery purchases.

The U.S. market accounted for approximately 180 tonnes of jewellery demand in 2008, just over 8 percent of the global total. Gold in the USA is purchased largely as an adornment product and purchase decisions are dictated by fashion rather than the desire to buy gold as an investment. The intrinsic value of gold as a store of value does still, however, play a role in the purchase decision process.

Investment demand

As well as holdings in ETFs, which have become a well-recognised investment vehicle for gold, primarily in the U.S. and European markets, physical gold investment takes the form of bar hoarding (primarily in India and in China) and official coins (for which the largest market is Turkey). Physical investment demand has grown significantly since 2003, when it stood at just less than 300 tonnes, to levels of approximately 770 tonnes in 2008. Over the course of 2008, demand increased in all of the various retail investment categories, and particularly in ETFs. Holdings in the latter increased from 28 million

ounces (approximately 870 tonnes) to 38 million ounces (approximately 1,180 tonnes), an increase of 36 percent over the year. This significant increase in ETF holdings, which has continued post year-end, reflects growing concern over the global financial system and a flight to gold as a 'safe-haven' asset.

Industrial and other sectors

The largest industrial use of gold is in electronics, as plating or bonding wire. In line with the growth in the use of personal computers and other electronic instruments globally, the use of gold in this sector has also increased, averaging a growth rate of over 9 percent in the five-year period from 2002 to 2007. The overall quantity of gold used in this sector, however, remains small, at only 11 percent of total demand. Demand for gold for dentistry purposes continues to decline, however this constitutes only a small portion of total demand, less than 2 percent of the global total.

Central bank holdings, sales and purchases

Gold held by the official sector, essentially central banks and the IMF, stood at approximately 29,000 tonnes in 2008. Periodically, central banks buy and sell gold as market participants. Most central bank sales take place under the Central Bank Gold Agreements ("CBGA") and therefore without any significant impact on the market. The second of these agreements is currently in its fifth and final year (which ends at the end of September 2009). Central bank sales in the fourth year of the agreement, which ended on 27 September 2008, reached only 343 tonnes, against the quota of 500 tonnes available under the agreement. Sales in the first quarter of the current year of the agreement reached only 50 tonnes, and it therefore seems likely, under current circumstances, that the annual CBGA quota will not be reached.

It seems likely that the current CBGA will be renewed and, should the IMF undertake any gold sales (as recommended by the IMF's Eminent Persons' Committee to support the bank's financial position), these gold sales will also take place within the framework of the agreement. The process of finalising IMF sales does, however, require U.S. Congressional approval and could therefore be a lengthy process, given the priorities facing the new U.S. administration.

Breakdown of gold consumption 2008	%
Jewellery consumption	64
Investment	23
Industrial/electronics	11
Dentistry	2

Source: GFMS, World Gold Council

Top six jewellery markets in 2008

Country	%	Tons
India	22	470
China	15	327
United States	8	179
Turkey	7	153
Saudi Arabia	5	109
Russia	4	96
Other	39	804
Global total	100	2,138

Source: GFMS, World Gold Council

The Company's Marketing Spend

The Company has since its inception been committed to growing the market for its product. The Company's marketing programmes aim to increase the desirability of gold to sustain and grow demand. The Company is an active member of the World Gold Council, and the Company's subscription to the World Gold Council accounts for the bulk of the Company's marketing spend. The company remains

involved in independent projects to grow jewellery demand, in partnership with companies such as Tanishq (a subsidiary of the Tata Group) in India. It has also supported the development of gold concept stores in China, under the 'Just Gold' brand. AuDITIONS, the Company's own global gold jewellery design competition brand, continues to grow and has become a well-recognised corporate marketing tool.

The Uranium Market in 2008

The Company's uranium production is sold via a combination of spot sales and long-term agreements.

The spot price for uranium (U_3O_8) was volatile during 2008. The year opened with a spot price of some U.S.\$90 per pound, declining to an annual low of U.S.\$44 per pound in mid-October and recovering to U.S.\$53 per pound by the end of the year. The long-term U_3O_8 price began the year at U.S.\$95 per pound and remained stable until the end of April 2008 when it began to decline reaching the year-end price of U.S.\$70 per pound. Long-term prices have not shown the same level of volatility as spot prices.

The significant volatility and overall decline in the spot price were driven by low levels of demand in the early part of the year, followed by the impact of the financial crisis in latter months that caused financial players to sell off their uranium inventories with some urgency to improve liquidity. The year-end recovery in prices was most likely caused by unanticipated additional spot demand from China, and may continue on the back of potential demand from India.

The declining spot price has had significant implications on near-term primary supply for uranium producers, and in several cases has made it uneconomical for these producers to continue production. Notably, several projects in the United States and South Africa have been curtailed or postponed, and some in Canada and Kazakhstan are experiencing technical or production difficulties. This may result in a tightening of supply in the short- to medium-term. However, the medium- to long-term indicators show that there is potential for increases in supply through expansion plans, new discoveries of mineralisation zones and more amenable regulatory environments, particularly in Australia, Russia and Namibia.

Details on secondary supplies from the U.S. also became clearer in 2008 with the Domenici Amendment becoming law in late September 2008. This places limits on imports of low enriched uranium from Russia to about 20 percent of annual U.S. nuclear reactor requirements between 2014 and 2020. The U.S. also published its uranium inventory disposal plan and capped disposals at 10 percent of annual U.S. reactor requirements, and will make available up to an additional 20 million pounds of uranium for supplying into initial core programmes of new reactors from 2010 onwards.

On the demand side, there continue to be calls from several countries to increase the proportion of nuclear power supply in their fuel mix to reduce dependence on expensive coal and oil imports and to reduce emissions. According to the International Atomic Energy agency ("IAEA"), more than 50 countries are considering nuclear power. However, the financial crisis may temper this demand and cause delays to new projects due to lack of available finance.

The long-term outlook for uranium prices remains positive due to continuing forecasts of strong demand and the expectation of continued challenges on the primary supply side. In particular, following the signing of the '123 Nuclear co-operation agreement' between India and the U.S., demand from India is likely to appear on the spot market.

Gold Production

The Company's core business is the production of gold by exploring for, and mining and processing gold ore bodies.

The process of producing gold

The process of producing gold can be divided into six main activities:

1. Finding the ore body;

2. Creating access to the ore body;
3. Mining (breaking) the ore body;
4. Transporting the broken material from the mining face to the plants for processing;
5. Processing; and
6. Refining.

The process applies to both underground and surface operations.

1. *Finding the ore body*

The Company's greenfields exploration group identifies prospective gold deposit targets and undertakes exploration on its own or in conjunction with joint venture partners. Worthwhile discoveries undergo a well structured and intensive evaluation process before a decision is made to proceed with developing the mine.

2. *Creating access to the ore body*

There are two types of mining which take place to access the ore body:

- Underground mining: a vertical or decline shaft is sunk deep into the ground to transport people and mining materials to underground levels from which the ore body is accessed through horizontal tunnels known as haulages and cross-cuts. Further on-reef development is then undertaken to open up the ore body so that mining can take place.
- Open-pit mining: in this situation the ore lies close to surface and can be exposed for mining by "stripping" the overlying barren material.

3. *Removing the Ore by Mining the Ore body*

- In underground mining, holes are drilled into the ore body, filled with explosives and then blasted. The blasted 'stopes' or 'faces' are then cleaned and the ore released is then ready to be transported to surface.
- In open-pit mining, drilling and blasting may also be necessary to break the ore; excavators then load the material onto the ore transport system which is predominantly haul trucks.

4. *Transporting the Broken Material from the Mining Face to the Plants for Treatment*

- Underground ore is brought to the surface by a combination of horizontal and vertical transport systems. Once on surface, the ore is usually transported to the processing facilities by surface rail or overland conveyors.
- In open pit operations, the haul trucks deliver the ore directly to the processing facilities.

5. *Processing*

Comminution is the first step in processing and involves the breaking up the ore, which is delivered as large rocks, into small particles so that the contained gold minerals are exposed and available for recovery. This is usually undertaken by a combination of multi-stage crushing and milling circuits with associated screening and classification processes to ensure that material at the correct size is removed promptly from the comminution circuit.

Recovery of gold can then commence, depending on the nature of the gold contained in the ore. There are two basic classes of ore:

- Free-milling, where the gold is readily available for recovery by the cyanide leaching process.
- Refractory ores, where the gold is not readily available for leaching because it is locked within a sulphide mineral matrix (e.g. pyrite), extremely finely dispersed within the host rock (and hence not yet exposed) or alloyed with other elements which retard or prevent leaching (e.g. tellurides).

Free milling and oxidised refractory ores are processed for gold recovery by leaching the ore in agitated (stirred) tanks in an alkaline cyanide leach solution. This is generally followed by adsorption of the gold cyanide complex onto activated carbon-in-pulp ("CIP").

Refractory ores undergo pre-treatment to make them more amenable to cyanide leaching. This commonly takes the form of separating the gold bearing sulphide materials from the barren gangue material by using flotation to produce a high-grade sulphide concentrate. The sulphide concentrate is then oxidised by either roasting as at AngloGold Ashanti Brasil Mineração or bacterial oxidation ("BIOX") as at Obuasi. This oxidation destroys the sulphide matrix and exposes the gold particles thereby making them amenable to recovery by the cyanidation process.

An alternative process is the heap-leach process. This process is generally considered applicable to high-tonnage, low-grade ore deposits, but it can be successfully applied to medium-grade deposits where smaller ore deposit tonnages cannot economically justify constructing a capital intensive process plant. In this process, ore is crushed and heaped on an impervious or lined leach pad. Low strength alkaline cyanide solution is applied, generally as a drip, to the top of the heap for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution ("CIS") columns where the gold cyanide complex is adsorbed onto activated carbon. The barren solution is refreshed and recycled to the top of the heaps.

Gold which has loaded (adsorbed) onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electrowinning cells and subsequent smelting of the precipitate into doré bars that are then shipped to gold refineries for further processing.

At some the Company operations, valuable by-products are generated at the same time as the gold recovery process. These by products are:

- silver, which is associated with the gold at some of our operations;
- sulphuric acid which is produced from the gases generated by the sulphide roasting acid plants; and
- uranium which is recovered in a process which involves sulphuric acid leaching followed by recovery of the leached uranium onto resin and subsequent stripping of the resin by ammonium hydroxide and precipitation of uranium oxide as "yellow cake".

The residue from the process operations are stored in designated tailings storage facilities.

6. *Refining*

The doré bars are transported to a precious metal refinery for further processing. In this process gold is upgraded to a purity of 99.5 percent or greater for sale to a range of final users. High purity gold is referred to as "good delivery" which means that it meets the quality standards set by the London Bullion Markets Association and gives the final buyer assurance that the bar contains the quantity and purity of gold as stamped on the bar.

Mine Site Rehabilitation and Closure

As mining is a finite operation, a mining enterprise must develop acceptable plans to be adopted when the mineralised material is exhausted. For the Company, an integral aspect of operating its mines is ongoing mine closure planning, together with the associated estimates of liability costs and the assurance of adequate financial provisions to cover these costs.

In terms of its Environmental Policy, the Company is committed to ensuring that financial resources are available to meet its reclamation and environmental obligations. One of the Company's values is that "the communities and societies in which we operate will be better off for the Company having been there". Through its membership of the International Council on Mining and Metals ("ICMM"), the Company is committed to seeking continual improvement of its environmental performance, in particular, by doing the following:

- Rehabilitating land disturbed or occupied by operations in accordance with appropriate post-mining land uses;
- Providing for the safe storage and disposal of residual waste and process residues; and
- Designing and planning all operations so that adequate resources are available to meet their closure requirements.

The evaluation of new projects considers closure planning and the associated costs in determining the economic feasibility of the project.

For many of the older mines, closure planning and the evaluation of environmental liabilities is a more complex process. This is particularly the case in Brazil, Ghana and South Africa, where many of the long-life operations present environmental legacies that may have developed over a century or more.

Closure plans are typically reviewed and updated annually and take into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in good practice. ICMM published an integrated closure planning toolkit during 2008, and the Company prepared a draft internal standard to incorporate this good practice approach. At the time of writing, consultants are assisting in finalising the standard.

A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operating. This practice serves to reduce the current liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilise reserves, which the Company might wish to exploit should conditions, such as the gold price, change.

While actual closure costs may only be fully determined at the time of closure, as at 31 December 2008 the total estimated liability, on an undiscounted basis, amounted to U.S.\$1,049 million (2007: U.S.\$1,188 million). The decrease was largely owing to exchange rate fluctuations.

An assessment of closure liabilities is undertaken on an annual basis. Increasingly, these liabilities are reviewed and assured by independent third parties.

The Regulatory Environment Enabling the Company to Mine



The Company's rights to own and exploit Mineral Reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties on which these reserves and deposits are situated.

In several of the countries in which the Company operates there are, in some cases, certain restrictions on the Group's ability to independently move assets out of these countries and/or transfer assets within the Group, without the prior consent of the local government or minority shareholders involved.

Argentina

According to Argentinean mining legislation, mines are the private property of the nation or a province, depending on where they are located. Individuals are empowered to explore for and to exploit and dispose of mines as owners by means of a legal licence granted by a competent authority under the provisions of the Argentine Mining Code. The legal licences granted for the exploitation of mines are valid for an undetermined period, provided that the mining title holder complies with the obligations settled in the Argentine Mining Code. In Argentina, the usual ways of transferring a right over a mining licence are: to sell the licence; to lease such a licence; or to assign the right under such a licence by a beneficial interest or Usufruct Agreement. In the case of Cerro Vanguardia – the Company's operation in Argentina – the mining title holder is its partner, Fomicruz, and in terms of the Usufruct Agreement signed between them and Cerro Vanguardia SA on 27 December 1996, the latter has the irrevocable right to the exploitation of the deposit for a period of 40 years. This agreement expires on 27 December 2036.

Australia

In Australia, with few exceptions, all onshore mineral rights are reserved by the government of the relevant state or territory. Exploration for and mining of minerals is regulated by general mining legislation and controlled by the mining ministry of each respective state or territory.

Where native title has not been extinguished, native title legislation may apply to the grant of tenure and some subsequent administrative processes. Federal and state Aboriginal heritage legislation also operates to protect special sites and areas from disturbance although to date there has not been any adverse impact on any of the Company's operating properties.

The Company's operating properties are located in the state of Western Australia. The most common forms of tenure are exploration and prospecting licences, mining leases, miscellaneous licences and general purpose leases. In most Australian states, if the holder of an exploration licence establishes indications of an economic mineral deposit and complies with the conditions of the grant, the holder of the exploration licence has a priority right against all others to apply for a mining lease which gives the holder exclusive mining rights with respect to minerals on the property.

It is possible for an individual or entity to own the surface of the property and for another individual or entity to own the mineral rights. Typically, the maximum initial term of a mining lease is 21 years, and the holder has the right to renew the lease for an additional 21 years. Subsequent renewals are granted at the discretion of the respective state or territory's minister responsible for mining rights. Mining leases can only be assigned with the consent of the relevant minister.

Government royalties are payable as specified in the relevant legislation in each state or territory. A general purpose lease may also be granted for one or more of a number of permitted purposes. These purposes include erecting, placing and operating machinery and plant in connection with mining operations, depositing or treating minerals or tailings and using the land for any other specified purpose directly connected with mining operations.

The Company owns the mineral rights and has 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of unincorporated joint venture operations. Both the Group and its joint venture partners are fully authorised to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at the Company's operations in Australia.

Brazil

In Brazil, there are two basic mining rights:

- a licence for the exploration stage, valid for a period of up to three years, renewable once; and
- a mining concession or mine manifest, valid for the life of the deposit.

In general, exploration licences are granted on a first-come, first-served basis. Mining concessions are granted to the holders of exploration licences that manage to prove the existence of a Mineral Resource and have been licensed by the environmental competent authority.

Mine manifests (mining titles granted in 1936) and mining concessions (mining titles presently granted through an order signed by the Secretary of Mines of the Ministry of Mines and Energy) are valid for an undetermined period until depletion of reserves, provided that the mining title holder complies with current Brazilian mining and environmental legislation, as well as with those requirements set out by the National Department of Mineral Production ("DNPM") which acts as the inspecting entity for mining activities. Obligations of the titleholder include:

- the start of construction, as per an approved development plan, within six months of the issuance of the concession;
- extracting solely the substances indicated in the concession;

- communicating to the DNPM the discovery of a mineral substance not included in the concession title;
- complying with environmental requirements;
- restoring the areas degraded by mining;
- refrain from interrupting exploitation for more than six months; and
- reporting annually on operations.

The difference between a mine manifest and a mining concession lies in the legal nature of these two mining titles, since it is much more difficult and complicated for the public administration to withdraw a mine manifest than a mining concession although, in practice, it is possible for a manifest to be cancelled or to become extinct if the abandonment of the mining operation is formally proven. All of the Company's operations in Brazil have indefinite mining licences.

Colombia

The underlying principle of Colombian mining legislation is: first in time, first in right.

The process starts with a proposal, the presentation of which gives a right of preference, if the area is free, to obtain the area. The maximum extent of an area covered by such a proposal is 10,000 hectares. Once a proposal has been received, the relevant government agency undertakes an investigation to determine whether another proposal has been received regarding the area concerned or whether an existing contract for the area is already in place. The government agency grants a "free zone" when the proposal made has a right of preference.

The concession contract

The government agency grants an exclusive concession contract for exploration and exploitation. Such a concession allows the concessionaire to conduct the studies, works and installations necessary for establishing the existence of minerals and their exploitation. The total term of such a concession is 30 years. This period can be renewed for another 30 years. The period allowed for exploration is three years, with a potential extension of two years. The period for construction and development is two years with an option to extend by one year.

Once the concessionaire has completed its exploration programme, a proposed plan of works and installations of exploitation and a study of the environmental impact must be completed in order to receive an environmental licence, without which it is not possible to start the development programme necessary to begin mining. The terms of the concession start from the date of registration of the contract at the National Mining Register; similarly, all obligations begin at that date. Once a mining concession has been awarded, the operating entity must take out an insurance policy to cover any possible environmental damage and its mining obligations.

Economic and tax aspects

Surface fee

During exploration: For areas not exceeding 2,000 hectares, approximately U.S.\$1 per hectare. For areas between 2,000 and 5,000 hectares, approximately U.S.\$2 per hectare. For areas between 5,000 and 10,000 hectares, approximately U.S.\$3 per hectare.

Royalty

The royalty paid to the Colombian government is calculated at 4 percent on production yield, valued at 80 percent of the average international per ounce price of the previous month as determined from the afternoon fixing price on the London Bullion Market.

The system of royalty payments and adjustments to such payments apply from the date the concession contract comes into force and for the entire period of its validity. Any official changes to the laws governing the payment of royalties will only apply to contracts granted and completed after these laws have been promulgated.

Ghana

The Constitution of Ghana as well as the Minerals and Mining Act, 2006 (Act 703) (the Act) provide that all minerals in Ghana in their natural state are the property of the State and title to them is vested in the President on behalf of and in trust for the people of Ghana, with rights of prospecting, recovery and associated land usage being granted under licence or lease.

The grant of a mining lease by the Minister of Mines is normally subject to parliamentary ratification unless the mining lease falls into a class of transactions exempted by Parliament.

Control of mining companies

The Minister of Mines has the power to object to a person becoming or remaining a "shareholder controller", a "majority shareholder controller" or an "indirect controller" of a company which has been granted a mining lease if he considers that the public interest would be prejudiced by the person concerned becoming or remaining such a controller.

The Act provides for stability agreements as a mechanism to ensure that the incentives and protection afforded by laws in force at the time of the stability agreement are guaranteed for 15 years. A stability agreement is subject to ratification by Parliament.

Prior to the business combination between AngloGold and Ashanti in April 2004, AngloGold and the government of Ghana agreed the terms of a stability agreement to govern certain aspects of the fiscal and regulatory framework under which the Company would operate in Ghana following the implementation of the business combination. The stability agreement necessitated the amendment of the Obuasi Mining Lease which has been ratified by Parliament.

Under the stability agreement, the government of Ghana agreed:

- to extend the term of the mining lease relating to the Obuasi mine until 2054 on terms existing prior to the business combination;
- to maintain for a period of 15 years, the royalties payable by the Company with respect to its mining operations in Ghana at a rate of 3 percent per annum of the total revenue from minerals obtained by the Company from such mining operations;
- to ensure that the income tax rate would be 30 percent for a period of 15 years. The agreement was amended in December 2006 to make the tax rate equal to the prevailing corporate rate for listed companies;
- that a sale of the Company's or any of its subsidiaries' assets located in Ghana remains subject to the government's approval;
- to permit the Company and any or all of its subsidiaries in Ghana to retain up to 80 percent of their exportation proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana, to guarantee the availability of such foreign currency; and
- to retain its special rights (Golden Share) under the provisions of the Mining Act pertaining to the control of a mining company, in respect of its assets and operations in Ghana.

Further, the Government of Ghana agreed that the Company's Ghanaian operations will not be adversely affected by any new enactments or orders, or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws

relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination.

Retention of foreign earnings

The Company's operations in Ghana are permitted to retain 80 percent of their foreign exchange earnings in such an account. In addition, the Company has permission from the Bank of Ghana to retain and use, outside of Ghana, dollars required to meet payments to the Company's hedge counterparts which cannot be met from the cash resources of its treasury company.

Localisation policy

A detailed programme must be submitted for the recruitment and training of Ghanaians with a view to achieving 'localisation', which is the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies.

Except as otherwise provided in a specific mining lease, all immovable assets of the holder under the mining lease vest in the State on termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not fully depreciated is to be offered to the State at the depreciated cost. The holder must exercise his rights subject to such limitations relating to surface rights as the Minister of Mines may prescribe.

Mining properties

Obuasi

The current mining lease for the Obuasi area was granted by the government of Ghana on 5 March 1994. It grants mining rights to land with an area of approximately 334 square kilometres in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent 140 square kilometres has also been granted resulting in the total area under mining lease conditions increasing to 474 square kilometres, (the "Lease Area"). The Company is required to pay rent to the government of Ghana (subject to review every five years, when the rent may be increased by up to 20 percent) at a rate of approximately U.S.\$5 per square kilometre and such royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area. The government of Ghana agreed to extend the term of the mining lease relating to the Obuasi mine until 2054 and the extension was formally ratified by Parliament on 23 October 2008.

Iduapriem and Teberebie

Iduapriem has title to a 33 square kilometre mining lease granted on 19 April 1989, for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted in respect of the Obuasi mining lease. Teberebie has two leases, one granted in February 1998 for a term of 30 years, and another granted in June 1992 for a term of 26 years. The terms and conditions of these leases are consistent with similar leases granted in respect of the Obuasi mining lease.

Guinea

In Guinea, all mineral substances are the property of the State. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining licence, mining prospecting licence, mining licence or mining concession.

The holders of mining titles are guaranteed the right to dispose freely of their assets and to organise their enterprises as they wish, the freedom to engage and discharge staff in accordance with the regulations in force, free movement of their staff and their products throughout Guinea and freedom to dispose of their products in international markets.

The Group's Guinea subsidiary, Société Ashanti Goldfields de Guinée SA (SAG), has title to the Siguiri mining concession area which was granted on 11 November 1993, for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust economic Ore Reserves.

At Siguiri the original area granted of 8,384 square kilometres was reduced to a concession area of four blocks totalling 1,495 square kilometres.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for an additional 22-year period from 11 November 1996, under conditions detailed in a Convention de Base which predates the new Guinea Mining Code.

Key elements of the Convention de Base are that:

- the government of Guinea holds a 15 percent free-carried or non-contributory interest; a royalty of 3 percent, based on a spot gold price of less than U.S.\$475 per ounce, and 5 percent based on a spot gold price above U.S.\$475 per ounce, as fixed on the London Gold Bullion Market, is payable on the value of gold exported; a local development tax of 0.4 percent is payable on gross sales revenue; salaries of expatriate employees are subject to a 10 percent income tax; mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and
- SAG is committed to adopt and progressively implement a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to do so, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by our subsidiary or if SAG goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

In addition to the export tax payable to the government of Guinea, a royalty on production may be payable to the International Finance Corporation ("IFC") and to Umicore SA, formerly Union Minière ("UM"). Pursuant to the option agreement between UM and Golden Shamrock Mines Limited ("GSM"), a royalty on production may be payable to UM by Chevaning Mining Company ("CMC") or GSM, which payment obligation has been assigned to AngloGold Ashanti (Ghana) Limited, on a sliding scale of between 2.5 percent and 7.5 percent, based on the spot gold price per ounce of between U.S.\$350 and U.S.\$475 per ounce, subject to indexing from 1 January 1995, to a cumulative maximum of U.S.\$60 million. In addition, under the terms of the restructuring agreement with the IFC, a sliding scale royalty on production may be payable to the IFC calculated on the same basis but at half the rate payable to UM, to a maximum of U.S.\$7.8 million. The royalty payable to the IFC was fully discharged in January 2008.

Mali

Mineral rights in Mali are governed by Ordinance No. 99-32/P-RM of 19 August 1999 enacting the mining code, as amended by 013/2000/P-RM of 10 February 2000, and ratified by Law No. 00-011 of 30 May 2000 (the "Mining Code"), and Decree No. 99-255/P-RM of 15 September 1999, implementing the Mining Code.

Prospecting activities may be carried out under prospecting authorisations (autorisation de prospection) which is an exclusive right for an individual or corporate entity to carry out prospecting activities over a given area for a period of three years renewable without a reduction in the area of the authorisation. Research activities may be carried out under research permits (permis de recherché). The latter are granted to corporate entities only by order of the Minister in charge of Mines. Research permits are granted for a period of three years, renewable twice for additional three-year periods. Each renewal of the research permit requires a relinquishment of 50 percent of the area covered by such permit. The entity applying for such a permit must provide proof of technical and financial capabilities.

An exploitation permit (permis d'exploitation) is required to mine a deposit located within the area of a prospecting authorisation or a research permit. The exploitation permit grants exclusive title to prospect, research and exploit the named substances for a maximum period of 30 years, renewable three times for an additional 10 years. The exploitation permit is granted only to the holder of an exploration permit or of a prospecting authorisation and covers only the area covered by the exploration permit or the prospecting authorisation. An application must be submitted to the Minister in charge of Mines and to the National Director of Mines.

As soon as the exploitation permit is granted, the holder of the exploitation permit must incorporate a company under the law of Mali. The holder of the permit will assign the permit for free to this company. The State will have a 10 percent free carry interest. This interest will be converted into priority shares and the State's participation will not be diluted in the case of increasing the capital.

Applications for exploitation permits must contain various documents attesting to the financial and technical capacity of the applicant, a detailed environmental study in respect of the impact of the project on the environment, a feasibility study, and a bank deposit. The permit is granted by decree of the Head of Government. A refusal to grant a permit may only be based on two grounds: insufficient evidence to support the exploitation of the deposit and/or a failure of the environmental study.

Applications for prospecting authorisations and research permits must contain various documents attesting to the financial and technical capacity of the applicant, a detailed works and cost programme, a map defining the area which is being requested and the geographical coordinates thereof, the exact details relating to the identity of the applicant and evidence of the authority of the signatory of the application. Such titles are granted by Ministerial Order. Any refusal to grant such titles shall be notified by letter from the Minister in charge of Mines to the applicant.

The mining titles mentioned above all require an establishment convention (convention d'établissement) to be signed by the State and the titleholder defining their rights and obligations. A standard form of such establishment convention has been approved by decree of the Head of Government.

The Company has interests at Morila, Sadiola and Yatela, all of which are governed by establishment conventions covering exploration, mining, treatment and marketing in a comprehensive document. These documents include the general conditions with regard to exploration (work programme, fiscal and customs regime) and exploitation (formation of a local limited liability company and mining company, state shareholdings, the fiscal and customs regime during construction and exploitation phases, exchange controls, marketing of the product, accounting regime, training programmes for local labour, protection of the environment, reclamation, safety, hygiene and settlement of disputes).

As the establishment conventions contain stabilisation clauses, the mining operations carried out by the Group in Mali are subjected to the provisions of the previous mining codes of 1970 and 1991 but also, for residual matters, to the provisions of the Mining Code of 1999.

The Company has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2029, 2024 and 2030, respectively.

Namibia

Mineral rights in Namibia vest in the State. In order to prospect or mine, the Ministry of Mines and Energy initially grants an exclusive prospecting licence and, on presentation of a feasibility study, a mining licence is then granted taking into account the ability of the Company, including its mining, financial and technical capabilities, rehabilitation programmes and payment of royalties. The relevant licence has been granted to AngloGold Namibia (Pty) Ltd in respect of its mining and prospecting activities in Namibia. The current 15-year mining licence expires in October 2018.

South Africa

In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act ("MPRDA"), which had been passed by the Parliament of South Africa in June 2002

and came into effect on 1 May 2004. The objects of the MPRDA are, among other things, to allow for state sovereignty over all mineral and petroleum resources in the country, to promote economic growth and the development of these resources, to expand opportunities for the historically disadvantaged and to ensure security of tenure concerning prospecting, exploration, mining and production operations. The state ensures that holders of mining and prospecting rights contribute to the socio-economic development of the areas in which they are operating.

The Broad-Based Socio-Economic Charter for the South African Mining Industry (the "Mining Charter") developed out of the MPRDA. The Mining Charter committed all stakeholders in the mining industry to transfer ownership of 26 percent of their assets to black or historically disadvantaged South Africans ("HDSAs") within 10 years. In addition, the government indicated that it would issue a Scorecard against which companies could gauge their empowerment credentials as well as engineering innovative ways of assisting business to meet the empowerment criteria. The fact that the Mining Charter enjoyed the full support from the mining houses, South African government and the unions, gives it great credibility and improves the chances for success in the long run.

The objectives of the Mining Charter are to:-

- promote equitable access to the nation's Mineral Resources by all the people of South Africa;
- substantially and meaningfully expand opportunities for HDSAs including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation's Mineral Resources;
- use the existing skills base for the empowerment of HDSAs;
- expand the skills base of HDSAs in order to serve the community;
- promote employment and advance the social and economic welfare of mining communities and the major labour-sending areas; and
- promote beneficiation of South Africa's mineral commodities.

The Scorecard was envisaged to function as an administrative tool only and not as a legislative one. The objective of the Scorecard was to find a practical framework for the Minister to assess whether a company actually measures up to what was intended by the MPRDA and the Mining Charter.

The Company currently holds ten mining rights in South Africa, seven of which have been successfully converted, executed and registered at the Mineral and Petroleum Titles Office. Two mining rights are still awaiting conversion by the Department of Minerals and Energy ("DME"), and the Company has successfully applied for one mining right to be converted before the closing date. The deadline for the conversion process is the end of April 2009. The Company also holds one prospecting right and two pending prospecting right applications which have been submitted to the DME.

A prospecting right will be granted to a successful application for a period not exceeding five years. Prospecting rights may be renewed once for a period not exceeding three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal up to two years, subject to certain conditions.

A mining right will be granted to a successful application for a period which may not exceed 30 years. Mining rights may be renewed for additional periods, each of which may not exceed 30 years at a time.

Tanzania

Mineral rights in the United Republic of Tanzania are governed by the Mining Act of 1998 (the Act), and property and control over minerals are vested in the United Republic of Tanzania. Prospecting for the mining of minerals, except petroleum, may only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under this Act.

The three types of mineral rights most often encountered, which are also those applicable to the Company, are:

- prospecting licences;
- retention licences; and
- mining licences.

A prospecting licence grants the holder thereof the exclusive right to prospect in the area covered by the licence for all minerals, other than building materials and gemstones, for a period of three years. Thereafter, the licence is renewable for two further periods of renewal of two years each. On each renewal of a prospecting licence, 50 percent of the area covered by the licence must be relinquished. Before application is made for a prospecting licence with an initial prospecting period (a prospecting licence), a prospecting licence with a reconnaissance period (a prospecting reconnaissance) may be applied for a maximum area of 5,000 square kilometres. This is issued for a period of two years, after which a three-year prospecting licence is applied for. A company applying for a prospecting licence must, inter alia, state the financial and technical resources available to it. A retention licence can also be requested from the Minister, after the expiry of a prospecting licence period, for reasons ranging from funds to technical considerations.

Mining is carried out through either a mining licence or a special mining licence, both of which confer on the holder thereof the exclusive right to conduct mining operations in or on the area covered by the licence. A mining licence is granted for a period of 10 years and is renewable for a further period of 10 years. A special mining licence is granted for a period of 25 years or for the estimated life of the ore body, whichever is shorter, and is renewable for a further period of 25 years. If the holder of a prospecting licence has identified a mineral deposit within the prospecting area which is potentially of commercial significance, but it cannot be developed immediately by reason of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention licence which will entitle the holder thereof to apply for a special mining licence when it sees fit to proceed with mining operations.

A retention licence is valid for a period of five years and is thereafter renewable for a single period of five years. A mineral right may be freely assigned by the holder thereof to another person or entity by notifying the Commissioner for Minerals, except for a mining licence, which must have the approval of the Ministry to be assigned.

However, this approval requirement for the assignment of a mining licence will not apply if the mining licence is assigned to an affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining operations.

A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts.

The Company has complied with all applicable requirements and the relevant licences have been issued for 25 years and expire in 2024.

United States of America

Mineral rights, as well as surface rights, in the United States are owned by private parties, state governments and the federal government. Most land prospective for precious metals exploration, development and mining is owned by the federal government and is obtained through a system of self-initiated mining claim location pursuant to the General Mining Law of 1872, as amended. Individual states typically follow a lease system for state-owned minerals. Private parties have the right to sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. All mining activities, regardless of whether they are situated on privately- or publicly-owned

lands, are regulated by a myriad of federal, state and local laws, regulations, rules and ordinances that address various matters including environmental protection, mitigation and rehabilitation.

Authorisations and permits setting forth the activities and restrictions pertaining thereto are issued by the responsible governmental agencies for all phases of mining activities.

The CC&V consists almost entirely of owned, patented mining claims from public lands, with a small percentage of private and state lands being leased. The total area of control is approximately 7,100 acres. Patented claims vest ownership in the holder, including the right to mine for an indefinite tenure. All life-of-mine reserves are within these property controls. The mining and rehabilitation permits issued by the State of Colorado are life-of-mine permits.

Operations at a glance for the year ended 31 December 2008

	Attributable tonnes treated/milled (Mt)			Average grade recovered (g/t)			Attributable gold production (000oz)			Total cash costs (U.S.\$/oz) ⁽¹⁾		
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
SOUTH AFRICA							2,099	2,328	2,554	362	343	285
<i>Vaal River</i>												
Great Nologwa	1.4	2.0	2.4	7.33	7.54	8.08	330	483	615	458	403	261
Kopanang	1.6	1.8	2.0	6.82	7.24	7.01	362	418	446	348	307	291
Moab Khotsong	0.6	0.3	0.2	9.31	7.94	6.35	192	67	44	379	668	655
Tau Lekoa	1.2	1.4	1.5	3.58	3.62	3.76	143	165	176	533	474	440
Surface operations	7.9	8.0	7.2	0.36	0.49	0.49	92	125	113	440	305	281
<i>West Wits</i>												
Mponeng	1.9	1.9	1.9	10.02	9.50	9.93	600	587	596	249	264	237
Savuka	0.3	0.3	0.4	6.28	6.69	7.68	66	73	89	411	403	336
TauTona ⁽¹⁾	1.6	1.8	2.0	8.66	9.67	10.18	314	409	474	374	317	269
ARGENTINA										615	264	228
Cerro Vanguardia (92.5 percent)	0.9	0.9	0.9	5.44	6.88	7.29	154	204	215	608	261	225
AUSTRALIA										552	313	306
Sunrise Dam ⁽²⁾	3.8	3.8	4.0	3.46	4.86	3.39	433	600	465	531	306	298
BRAZIL							407	408	339	321	260	216
Brasil Mineração ⁽¹⁾	1.4	1.4	1.1	7.62	7.48	7.60	320	317	242	300	233	195
Serra Grande (50 percent) ⁽¹⁾	0.4	0.4	0.4	7.58	7.21	7.51	87	91	97	294	263	198
GHANA							557	527	592	594	432	390
Bibiani ⁽⁴⁾	–	–	2.1	–	–	0.55	–	–	37	–	–	437
Iduapriem ⁽²⁾⁽³⁾	3.5	2.8	3.0	1.76	1.85	1.74	200	167	167	525	373	368
Obuasi ⁽¹⁾	5.6	6.0	6.2	4.37	4.43	4.39	357	360	387	633	459	395
GUINEA										466	464	399
Siguiri (85 percent) ⁽²⁾	8.6	8.3	7.0	1.20	1.05	1.08	333	280	256	466	464	399
MALI							409	441	537	430	350	250
Morila (40 percent)	1.7	1.7	1.7	3.08	3.36	3.88	170	180	207	419	350	275
Sadiola (38 percent)	1.6	1.6	1.8	3.42	2.76	3.22	172	140	190	399	414	270
Yatela (40 percent) ⁽⁵⁾	1.1	1.2	1.3	2.66	3.46	4.12	66	120	141	572	322	228
NAMIBIA										534	419	265
Navachab	1.5	1.6	1.5	1.43	1.56	1.81	68	80	86	534	419	265
TANZANIA										728	452	497
Geita	4.3	5.1	5.7	1.92	2.01	1.68	264	327	308	728	452	497
UNITED STATES OF AMERICA										334	282	260
Cripple Creek & Victor ⁽⁵⁾	22.1	20.9	21.8	0.49	0.53	0.54	258	282	283	309	269	248
THE COMPANY							4,982	5,477	5,635	444	357	308

(1) The yield of TauTona, Brasil Mineração, Serra Grande and Obuasi represents underground operations.

(2) The yield of Sunrise Dam, Iduapriem and Siguiri represents open-pit operations.

(3) The minority shareholdings of the International Finance Corporation (10 percent) and Government of Ghana (5 percent) were acquired effective 1 September 2007, and Iduapriem is now wholly-owned by the Company.

(4) The yield of Bibiani represents surface and dump reclamation in 2006, Bibiana was sold effective 28 December 2006.

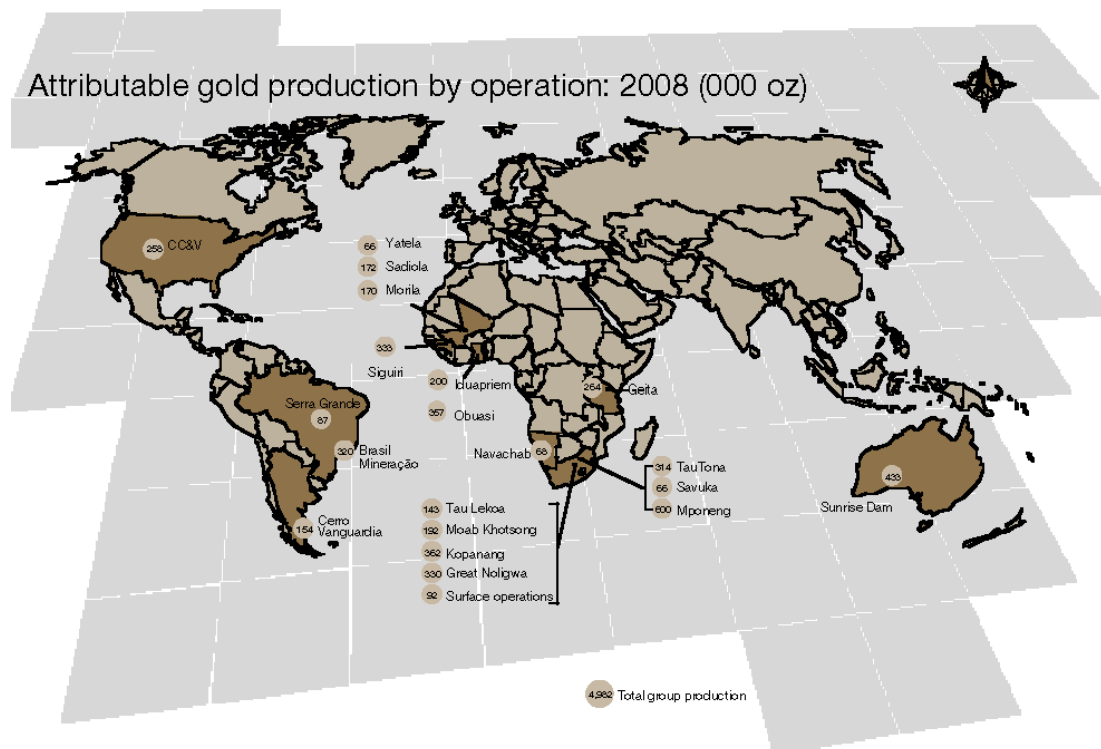
(5) The yield of Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed. The remaining 33 percent interest in Cripple Creek & Victor was acquired effective 1 July 2008.

OPERATING PERFORMANCE

In 2008, gold production totalled 4.98 million ounces compared to 5.48 million ounces in 2007. This decline in production was as a result of lower grades, safety-related stoppages, the interruption to the power supply in South Africa and reduced production, as anticipated, at Sunrise Dam in Australia and Cerro Vanguardia in Argentina as a result of a decline in feed grades associated with agitator problems in the leach tanks, and at Geita as a result of critical plant maintenance.

The Company has 21 operations in 10 countries around the world. While these operations are managed on a regional basis, they are reported on country-by-country basis.

The operations and geographical areas in which the Company currently operates are shown below.



Review of operations

The Company is a global leader within the gold mining business with 21 operations on four continents and a focused, worldwide exploration programme. In the process of mining for gold, by-products of silver, uranium oxide and sulphuric acid are produced.

Safety

For the Company, people come first and consequently the Company places the highest priority on safe and healthy practices and systems of work. The Company will continue to strive to improve its safety performance across its global asset base. The "Safety is our first value" campaign initiated in November 2007 resulted in significant improvements to safety statistics throughout 2008.

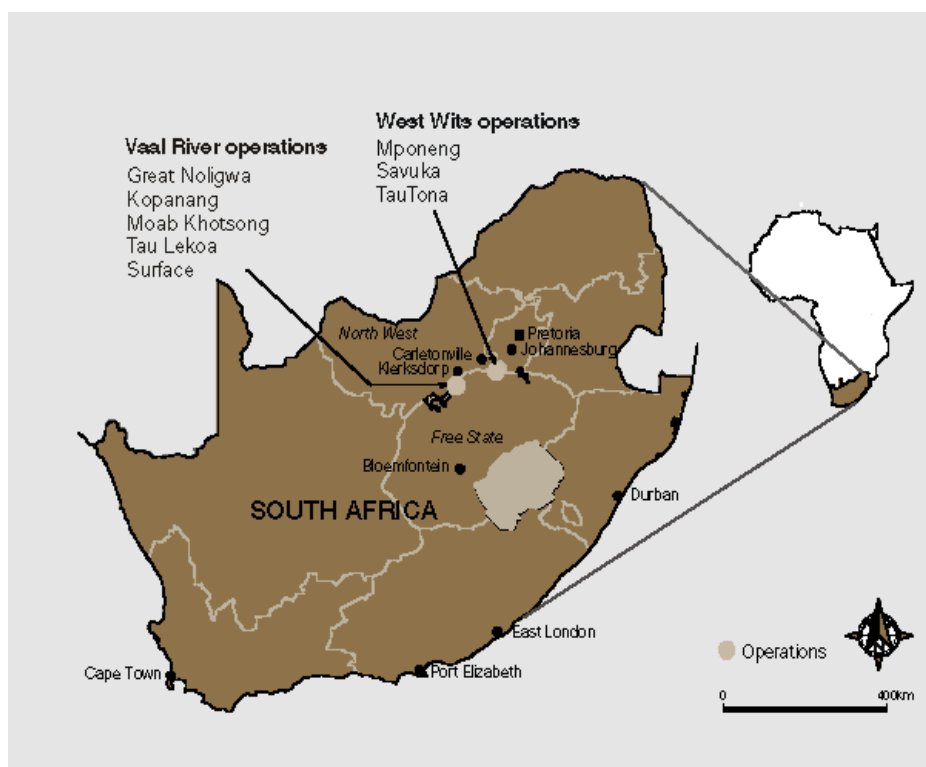
In terms of lost-time injuries, the lost-time injury frequency rate ("LTIFR") per million hours worked for the year was 7.32 as compared to 8.24 in 2007, an improvement of 11 percent. Regrettably in 2008, 14 Company employees lost their lives (2007: 34 fatalities) which translates into a fatal injury frequency rate ("FIFR") for the group of 0.09 per million hours worked for the year (2007: 0.21 per million hours worked).

Operational review

Total capital expenditure amounted to U.S.\$1,201 million (2007: U.S.\$1,059 million).

Total project capital, included above, was just over U.S.\$650 million, of which almost U.S.\$420 million was at Boddington. The other main areas of project spend were the Mponeng VCR project (U.S.\$45 million), Iduapriem U.S.\$43 million (mainly the plant expansion), AngloGold Ashanti Brasil Mineração (U.S.\$30 million), TauTona U.S.\$21 million (mainly the below 120 level project) and Serra Grande U.S.\$20 million (the main project being the plant expansion).

SOUTH AFRICA



Location: The Company's South Africa region includes seven underground operations located in two geographic areas on the Witwatersrand Basin. These are:

- the Vaal River area, near Klerksdorp and Orkney, in the North West Province and Free State, where the Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong (which remains under development) mines are located; and
- the West Wits area, near Carletonville, straddling the North West Province and Gauteng, where the Mponeng, TauTona and Savuka mines are located.

Geology: The Witwatersrand Basin comprises a six-kilometre thick sequence of interbedded argillaceous and arenaceous sediments that extend laterally for some 300 kilometres northeast/southwest and 100 kilometres northwest/southeast on the Kaapvaal Craton. The upper portion of the basin, which contains the ore bodies, crops out at its northern extent near Johannesburg. Further west, south and east the basin is overlain by up to four kilometres of Archaean, Proterozoic and Mesozoic volcanic and sedimentary rocks. The Witwatersrand Basin is late Archaean in age and is considered to be in the order of 2.7 to 2.8 billion years old.

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two metres thick, and are widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different entry points and these are preserved as distinct goldfields. There is still much debate about the origin of the gold mineralisation in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the conglomerates, but increasingly an epigenetic origin theory is being supported. Nonetheless, the most fundamental control to the gold distribution in the Basin remains the sedimentary features, such as facies variations and channel directions. Gold generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

Safety: At the South African operations, the incidence of white flag days (days on which no injuries occur) improved from two white flag days in 2007 to 40 white flag days for 2008. There were most regrettably 11 fatalities during 2008, 16 fewer than in 2007, which represent a 59 percent improvement. This resulted in a FIFR of 0.12 per million hours worked for the year, as opposed to 0.29 in 2007, which is equivalent to the Gold Mining Industry 2013 FIFR benchmark.

The LTIFR for the South African operations, as a whole was 11.24 per million hours worked (2007: 12.72), indicating a significant improvement in safety performance. Other significant achievements included the first ever fatality free quarter (second quarter 2008), the longest fatality free period in history (110 days), the first time ever that four operations achieved 1,000,000 fatality free shifts within one calendar year and a period of eight consecutive fatality free months for the Vaal River operations.

The safety of the Company's workforce is a priority and the roll-out of the "Safety is our first value" continued at the South African operations. A framework on the management of safety, based on OSHAS 18001 was developed. Safety campaigns at these operations are run in collaboration with the trade unions and government representatives. Simultaneously, various safety interventions were implemented to reemphasise the Company's principles and standards regarding safety. The focus is on leadership, behaviour and on improving compliance with operating standards at all levels. Key to this is ensuring that employees are competent to both perform their duties and responsibilities safely and to identify and manage hazards encountered in the workplace.

Operating review

Gold production from the South African operations totalled 65,283 kilograms (2,099,000 ounces) in 2008, down 10 percent from the 72,429 kilograms (2,328,000 ounces) produced in 2007. The cause of this decline was mainly as a result of lower grades, the Eskom power outages early in the year and several safety-related stoppages during the course of the year.

South Africa		2008	2007	2006
Gold production	(000oz)	2,099	2,328	2,554
Total cash costs	(U.S.\$/oz)	362	343	285
Capital expenditure	(U.S.\$ million)	337	361	313
Total number of employees*		37,127	36,976	35,968

* includes contractors

Total cash costs at most of the South African operations increased from 2007, driven largely by lower production annual wage increases and higher power tariffs.

Total uranium production for the year was 4 percent higher than the prior year at 1.3 million pounds, despite the power-related production stoppages earlier in 2008.

Capital expenditure in South Africa totalled ZAR2,779 million (U.S.\$337 million) (2007: ZAR2,535 million; U.S.\$361 million).

West Wits operations

Description: The Mponeng, Savuka and TauTona mines are situated on the West Wits Line near the town of Carletonville, straddling the border of Gauteng and North West Province. Mponeng has its own gold processing plant while the Savuka and TauTona operations share a plant.

Together, the West Wits operations collectively produced 30,498 kilograms (980,000 ounces) of gold, equivalent to 20 percent of the Group's production compared with 33,258 kilograms (1,069,000 ounces) of gold produced in 2007.

Mponeng

Description: Mponeng is situated close to the town of Carletonville in North West Province, southwest of Johannesburg, straddling the border with the province of Gauteng, and currently mines the Ventersdorp Contact Reef ("VCR") with stoping taking place at an average depth of 3,054 metres. The

deepest operating stope is at a depth of 3,370 metres below surface. Given the high degree of variability in the grade of the VCR at Mponeng, a sequential grid mining method is used which allows for selective mining and increased flexibility in dealing with changes in grade ahead of the stope.

Mponeng comprises a twin-shaft system housing two vertical shafts and two service shafts. Ore mined is treated and smelted at Mponeng's gold plant. The ore is initially ground down by means of semi-autogenous milling after which a conventional gold leach process incorporating liquid oxygen injection is applied. The gold is then extracted by means of carbon-in-pulp technology. The Mponeng gold plant conducts electro-winning and smelting (induction furnaces) on products from Savuka and TauTona as well.

Geology: Two reef horizons are exploited at the West Wits operations, the VCR located at the top of the Central Rand Group and the Carbon Leader Reef (the "CLR") near the base. The separation between the two reefs increases from east to west from 400 to 900 metres, owing to unconformity in the VCR. TauTona and Savuka exploit both reefs whereas Mponeng only mines the VCR. The structure is relatively simple; faults of greater than 70 metres are rare. The CLR consists of one or more conglomerate units and varies from several centimetres to more than three metres in thickness. Regionally, the VCR dips at approximately 21 degrees but may vary between 5 and 50 degrees, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin, varying from several centimetres to more than three metres in thickness.

Safety: The mine was awarded OHSAS 18001 certification during the year and achieved its second one million fatality-free shifts award on 18 June 2008. Safety at Mponeng improved during the year, with the LTIFR decreasing from 13.08 per million hours worked in 2007 to 11.44 in 2008. There were two fatalities during the year (2007: six) resulting in a decrease in FIFR to 0.14 per million hours worked (2007: 0.42).

Operating review: Production rose 2 percent to 18,672 kilograms (600,000 ounces) in 2008 (2007: 18,260 kilograms – 587,000 ounces) and the area mined increased marginally, largely owing to an increase in face length. Various cost savings initiatives, resulted in costs contained to inflation. Total cash costs were 6 percent lower in dollar terms at U.S.\$249 per ounce compared with 2007 of U.S.\$264 per ounce, a consequence of a weakening local currency.

Capital expenditure for the year totalled ZAR707 million (U.S.\$86 million) (2007: ZAR604 million; U.S.\$86 million).

Growth prospects: There are currently two growth projects under way at Mponeng.

VCR below 120 project: The project scope is to develop four declines from 120 level to the 126/127 levels to access the Ventersdorp Contact Reef. It includes the installation of the supporting infrastructure (refrigeration, backfill, equipping of the decline, etc.) required to service a planned 10,000 square metres per month production plan. Development is ahead of schedule and in line with budget, and in January 2009, became the deepest mine in the world. The project is anticipated to recover 2.7 million ounces of gold at a cost of ZAR2.03 billion (U.S.\$0.2 billion). Construction began in 2007 with on reef development and the start of production scheduled for 2013 and full production due in 2015.

CLR below 120 project: Feasibility work on this project which involves accessing the Carbon Leader Reef, about 900 metres below the VCR, is in progress. Initial estimates are that it has the potential to produce 10.6 million ounces at a cost of ZAR12.7 billion (U.S.\$1.5 billion). The project is to be presented to the board for formal approval in July 2009 and, if approved, development will begin in August 2009 with production scheduled to start in 2022.

Savuka

Description: Savuka is situated on the West Wits line in the province of Gauteng, approximately 70 kilometres south-west of Johannesburg. Savuka is close to the town of Carletonville in North West Province. Savuka currently mines both the CLR and the VCR.

This mining operation comprises sub- and tertiary-shaft systems with the latter reaching a depth of 3,777 metres.

Ore mined at Savuka is processed firstly at the Savuka plant. The plant uses conventional milling to crush the ore and a carbon-in-pulp circuit to treat the ore further, after which it is sent to the Mponeng gold plant where the gold is extracted by means of electro-winning and smelting.

Safety: Savuka achieved OHSAS 18001 certification during the year. There was an improvement in safety during the year with an overall LTIFR for the year of 15.20 per million hours worked compared to 25.99 in 2007. Regrettably there was one fatality at the operation in 2008.

Operating review: Production was down to 2,057 kilograms (66,000 ounces) in 2008 from 2,284 kilograms (73,000 ounces) in 2007. Volumes mined were 11 percent down on 2007 with tonnes milled down 4 percent. The effects on production of safety and power-related stoppages countered the positive effect of improved drilling, blasting and mining mix towards year-end.

Increases in total cash costs, which rose by 2 percent in 2008 to ZAR106,748 per kilogram (U.S.\$411 per ounce) from U.S.\$403 per ounce in 2007, were mainly due to increases in major input costs of labour, power and consumables.

Growth prospects: Exploration and drilling programmes are being undertaken to determine the extent and accessibility of the extensive resource to the west of current mining activities and to identify potential mining prospects. The restructuring programme instituted at Savuka over the last two years has made the mine more cost effective, thereby increasing its life-of-mine.

TauTona

Description: TauTona lies on the West Wits Line, just south of Carletonville in North West Province and about 70 kilometres south-west of Johannesburg. Mining at TauTona takes place at depths ranging from 2,000 metres to 3,640 metres. The mine has a three-shaft system and is in the process of converting from longwall mining to scattered grid mining.

The mine consists of a main shaft system supported by secondary and tertiary shafts. TauTona shares a processing plant with Savuka. The plant uses conventional milling to crush the ore and a carbon-in-pulp plant to treat the ore further. Once the carbon has been added to the ore, it is transported to the gold plant at Mponeng for electro-winning, smelting and the final recovery of the gold.

Safety: Safety improved overall and the LTIFR for the year was 13.46 per million hours worked (2007: 18.14) and there were four fatalities (2007: five), the major causes of which were seismicity-related rockfalls.

Operating review: Gold production declined by 23 percent to 9,769 kilograms (314,000 ounces) (2007: 12,714 kilograms; 409,000 ounces). There was a greater-than-scheduled decline in the volume of ore mined, a result of continued seismic activity in the vicinity of the CLR shaft pillar, which is being mined, and at several high-grade production panels, where production was temporarily halted during the course of the year. These seismic activities affected both face length and face advance. The increased geological risk from this seismic activity necessitated replanning regarding mine layout and mining methods. The power crisis at the beginning of the year also had negative consequences for production.

The decline in production, together with increased input and labour costs, the escalating cost of power and work stoppages contributed to a 36 percent increase in total cash costs to ZAR97,483 per kilogram (U.S.\$374 per ounce) compared with cash costs in 2007 of U.S.\$317 per ounce.

Capital expenditure of ZAR491 million (U.S.\$60 million) (2007 U.S.\$71 million).

Growth prospects: The three growth projects at TauTona are:

CLR below 120 level project is accessed via a twin-decline system down to 128 level. Production was scheduled to begin in 2009. Current estimations are that the project will produce 2.5 million ounces of gold. The project scope has been revised and limited to the development of a rock decline to 123 level. A study will be done to investigate whether the project should be resumed after a year's delay, and whether it should be operated with an owner mine team or together with a contractor. The project has total budgeted capital expenditure of ZAR1.2 billion (U.S.\$146 million) of which ZAR620 million (U.S.\$76 million) has been spent to date.

CLR shaft pillar extraction project enables stoping operations to be conducted up to a recently revised infrastructural zone of influence. Production from this project, which began in 2004 and will continue until 2009, is estimated to total more than 415,000 ounces at an average cash cost of U.S.\$102 per ounce (nominal terms) during this period. Capital expenditure for this project is ZAR281 million (U.S.\$34 million) at current exchange rates, most of which has been committed.

VCR pillar project, which accesses the VCR pillar area located outside the zone of influence, began production in 2005. Development is scheduled to be completed in 2010. Total production is estimated at almost 218,000 ounces at a capital cost of ZAR123 million (U.S.\$15 million), of which ZAR118 million (U.S.\$14 million) has been spent to date.

Operating and production data for West Wits operations

	Mponeng	TauTona	Savuka
2008			
Pay limit (oz/t)	0.22	0.44	0.43
Pay limit (g/t)	7.61	15.05	14.91
Recovered grade (oz/t)	0.292	0.253	0.183
Recovered grade (g/t)	10.02	8.66	6.28
Gold production (000 oz)	600	314	66
Total cash costs (U.S.\$/oz)	249	374	411
Total production costs (U.S.\$/oz)	323	509	518
Capital expenditure (U.S.\$ million)	86	60	11
Employees ⁽¹⁾	5,482	3,849	1,179
Outside contractors ⁽¹⁾	203	774	45
2007			
Pay limit (oz/t)	0.23	0.40	0.40
Pay limit (g/t)	7.83	16.11	13.72
Recovered grade (oz/t)	0.277	0.282	0.195
Recovered grade (g/t)	9.50	9.67	6.69
Gold production (000 oz)	587	409	73
Total cash costs (U.S.\$/oz)	264	317	403
Total production costs (U.S.\$/oz)	348	464	476
Capital expenditure (U.S.\$ million)	86	71	9
Employees ⁽¹⁾	5,126	4,160	1,063
Outside contractors ⁽¹⁾	435	832	80
2006			
Pay limit (oz/t)	0.23	0.53	0.31
Pay limit (g/t)	7.74	18.25	10.75
Recovered grade (oz/t)	0.290	0.297	0.224
Recovered grade (g/t)	9.93	10.18	7.68
Gold production (000 oz)	596	474	89
Total cash costs (U.S.\$/oz)	237	269	336
Total production costs (U.S.\$/oz)	338	384	359
Capital expenditure (U.S.\$ million)	48	70	2
Employees ⁽¹⁾	4,760	4,164	975
Outside contractors ⁽¹⁾	524	1,002	65

(1) Average for the year.

Vaal River operations

Description: The Great Noligwa, Kopanang, Moab Khotsong and Tau Lekoa mines are situated near the towns of Klerksdorp and Orkney on the border of North West Province and the Free State. The Company's Vaal River operations have among them four gold plants, one uranium plant and one sulphuric acid plant. Combined, the Vaal River operations (including surface operations) produced 34,785 kilograms (1,119,000 ounces) of gold, equivalent to 22 percent of the Group's production compared with 2007 production of 39,171 kilograms (1,258,000 ounces).

Great Noligwa

Description: Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney on the Free State side of the Vaal River. The Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here. This mining operation consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 metres. As from the end of June 2008, the SV4 section was transferred from Great Noligwa to Moab Khotsong.

Owing to the geological complexity of the ore body, a scattered mining method is employed. Great Noligwa has its own dedicated milling and treatment plant which applies conventional crushing, screening semi-autogenous grinding and carbon-in-leach processes to treat the ore and extract the gold.

Geology: In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the "C" Reef:

- The Vaal Reef contains approximately 85 percent of the reserve tonnage with mining grades between 10 and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive unconformities. Several distinct facies have been identified, each with its unique gold distribution and grade characteristic.
- The VCR has a lower grade than the Vaal Reef, and contains approximately 15 percent of the estimated reserves. The economic portion is mainly concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers or a thin conglomerate horizon. The reef is located at the contact between the overlying Kliprivierberg Lavas of the Ventersdorp SuperGroup and the underlying sediments of the Witwatersrand SuperGroup which creates a distinctive seismic reflector. The VCR is located up to one kilometre above the Vaal Reef.
- The "C" Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 metres above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to the Vaal Reef, but more erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west and south-east, resulting in zones of fault loss.

Vaal River – Summary of metallurgical operations

	West Gold Plant	East Gold Acid and Float Plant	Noligwa Gold Plant	Mispah Gold Plant	Kopanang Gold Plant
Gold plants					
Capacity (000 tonnes/month)	180	309	263	140	420
Uranium plants					
Capacity (000 tonnes/month)	–	–	263	–	–
Pyrite flotation plants					
Capacity (000 tonnes/month)	–	250	145	–	–
Sulphuric acid plants					
Production (tonnes/month)	–	7,500	–	–	–

Operating and production data for Vaal River operations

	Great Noligwa	Kopanang	Tau Lekoa	Moab Khotsong
2008				
Pay limit (oz/t)	0.29	0.32	0.17	0.69
Pay limit (g/t)	10.07	11.07	5.70	23.51
Recovered grade (oz/t)	0.214	0.199	0.104	0.271
Recovered grade (g/t)	7.33	6.82	3.58	9.31
Gold production (000 oz)	330	362	143	192
Total cash costs (U.S.\$/oz)	458	348	533	379
Total production costs (U.S.\$/oz)	557	492	658	632
Capital expenditure (U.S.\$ million)	26	47	18	89
Employees ⁽¹⁾	5,472	5,620	2,650	2,914
Outside contractors ⁽¹⁾	271	411	384	1,823
2007				
Pay limit (oz/t)	0.34	0.36	0.16	1.52
Pay limit (g/t)	11.69	12.18	5.39	52.12
Recovered grade (oz/t)	0.220	0.211	0.106	0.232
Recovered grade (g/t)	7.54	7.24	3.62	7.94
Gold production (000 oz)	483	418	165	67
Total cash costs (U.S.\$/oz)	403	307	474	668
Total production costs (U.S.\$/oz)	507	393	622	1,234
Capital expenditure (U.S.\$ million)	37	52	16	89
Employees ⁽¹⁾	5,908	5,470	2,506	1,986
Outside contractors ⁽¹⁾	726	465	345	1,548
2006				
Pay limit (oz/t)	0.28	0.32	0.14	1.50
Pay limit (g/t)	9.57	10.92	4.85	51.44
Recovered grade (oz/t)	0.236	0.204	0.110	0.185
Recovered grade (g/t)	8.08	7.01	3.76	6.35
Gold production (000 oz)	615	446	176	44 ⁽²⁾
Total cash costs (U.S.\$/oz)	261	291	440	655
Total production costs (U.S.\$/oz)	342	355	614	1,107
Capital expenditure (U.S.\$ million)	49	41	11	83
Employees ⁽¹⁾	5,883	5,360	2,514	1,539
Outside contractors ⁽¹⁾	696	455	379	1,365

(1) Average for the year.

(2) Commercial production commenced on 1 January 2006.

Safety: Great Noligwa achieved OHSAS 18001 certification during the year and received its tenth one million fatality-free shifts award on 25 September 2008. Safety as measured by the LTIFR deteriorated slightly. The LTIFR for the year was 14.66 per million hours worked (2007: 14.46). There was regrettably one fatality in 2008, caused by a mud-rush (2007: two), which is a 50 percent improvement year-on-year to give an FIFR of 0.07, as compared to 0.11 in 2007.

Operating review: Production declined by 32 percent to 10,268 kilograms (330,000 ounces) in 2008 from 15,036 kilograms (483,000 ounces) in 2007 while tonnes mined decreased by 34 percent. The fall in production was largely attributable to the transfer of the high-grade SV4 section to Moab Khotsong from where it can be more easily accessed. Power savings initiatives during the first quarter of the year and safety stoppages further contributed to the decline in production.

The overall unit cash cost for the year rose by 31 percent to ZAR119,140 per kilogram (U.S.\$458 per ounce) (2007: U.S.\$403 per ounce). This increase in costs was the result of lower production volumes and inflationary pressures on the major input costs of power, labour, support and stores. This was offset by an increase in uranium by-product credits as a result of improved production and the cancellation of loss-making uranium contracts.

Capital expenditure totalled ZAR213 million (U.S.\$26 million) compared to ZAR261 million (U.S.\$37 million) in 2007.

Growth prospects: As the operation ages, Great Nologwa is in the process of converting from conventional scattered mining to pillar or remnant mining for the remainder of its operational life. Up until now the Vaal Reef has been the most economically viable reef to mine, but as this reef is being mined out, the less economical Crystalkop Reef is being exploited increasingly as are the economically viable support pillars containing the Vaal Reef within the mine's boundaries.

Kopanang

Description: Kopanang adjoins Great Nologwa and is located close to the town of Orkney on the Free State side of the Vaal River. The major reef mined at Kopanang is the Vaal Reef, while a secondary reef, the Crystalkop Reef, is mined on a smaller scale. Mining operations are conducted at depths ranging from 1,350 metres to 2,240 metres.

The Kopanang operation comprises a single shaft system. Given the geologically complex ore body occurring at Kopanang, a scattered mining method is used with the ore body being accessed mainly via footwall tunnelling, raised on the dip of the reef and stopped on strike. Kopanang has a gold processing plant that uses both conventional semi-autogenous grinding and carbon-in-pulp technology. There are two streams of ore into the plant, one of which is fed mainly by Vaal Reef ore while the other is fed exclusively by Ventersdorp Contact Reef ore from Tau Lekoa.

Safety: The mine retained its OHSAS 18001 certification during the year. There was an improvement in safety performance during 2008 with a reported LTIFR for the year of 12.86 per million hours worked (2007: 13.10) and FIFR of 0.14 (2007: 0.22). There were two fatalities, one caused by a tramming accident and the other a fall of ground. Kopanang also received its eighth one million fatality-free shifts award on 11 November 2008. Seven one million fatality-free shifts have been achieved in the past eight years.

Operating review: Gold production in 2008 decreased to 11,244 kilograms (362,000 ounces), 14 percent less than in 2007 13,013 kilograms (418,000 ounces). Lower volumes mined (11 percent down) coupled with a 6 percent fall in grade to 6.8 g/t were the major contributions to the production decline. Power outages during the first quarter coupled with related work stoppages contributed to the decline in volumes mined.

Total cash cost increased on 2007 total cash costs per ounce of U.S.\$307 by 14 percent to ZAR91,516 per kilogram (U.S.\$348 per ounce) as a result of the reduced production and increases in the prices of major input costs at rates higher than the CPI.

Growth prospects: A new waste washing plant is planned for 2009. The plant will upgrade the quality of the fines to be added to the Kopanang stream as well as that of the tonnes to be sent to the plant at Great Nologwa for uranium extraction.

The ore body to the west of Kopanang's current mining area is being drilled which, if it proves viable, will extend the life of mine.

Tau Lekoa

Description: Tau Lekoa is one of four mining operations in the Vaal River area. It is close to the town of Orkney on the North West Province side of the Vaal River. Unlike the other Vaal River operations, the major reef mined at Tau Lekoa is the Ventersdorp Contact Reef. Mining operations are conducted at depths ranging from 800 metres to 1,743 metres, making this one of the shallower the Company mines in South Africa.

The Tau Lekoa operation comprises a twin-shaft system. Because of the geologically complex ore body occurring at Tau Lekoa, a scattered mining method is used with the ore body being accessed via footwall tunnelling while stoping takes place on strike. There are currently seven shaft levels with an average of 70 panels in operation. Tau Lekoa employs hydro-electric power as its primary source of energy.

Ore mined by Tau Lekoa is processed and treated in preparation for gold extraction at the Kopanang gold plant.

Safety: The mine achieved OHSAS 18001 certification during the year. Safety as measured by the rate of lost time injuries improved to 16.57 per million hours worked compared to 19.07 in 2007. There were no fatalities at Tau Lekoa in 2008.

Operating review: Production declined as planned by 13 percent to 4,444 kilograms (143,000 ounces) in 2008 from 5,137 kilograms (165,000 ounces) in 2007. This is largely attributable to a 12 percent decline in volumes mined which were affected by the power outages during the first quarter of 2008 and by safety-related stoppages throughout the year.

Total cash costs rose 31 percent (in ZAR terms) to ZAR140,368 per kilogram (U.S.\$533 per ounce) in 2008 compared with ZAR107,016 per kilogram (U.S.\$474 per ounce) the previous year, largely owing to reduced production and inflationary pressures on input costs.

Capital expenditure for the year totalled ZAR146 million (U.S.\$18 million) (2007: ZAR113 million; U.S.\$16 million).

Growth prospects: On 17 February 2009, the Company announced that it had agreed to sell, with effect from 1 January 2010 (or after), the Tau Lekoa mine to Simmer & Jack Mines Limited.

Moab Khotsong

Description: Moab Khotsong, the newest of the Company's South African operations, began commercial production in January 2006. Located south and south-east of Great Nologwa and Kopanang in the Free State province, Moab Khotsong was developed to exploit the Vaal Reef. The first phase of this operation included the development of a main shaft system, a subsidiary ventilation shaft and three main production levels to between 2,600 metres and 3,054 metres below surface.

Given the known geological complexity of the Vaal Reef, a scattered mining method has been employed with haulages, cross cuts and raises pre-developed in a grid system.

Safety: Moab Khotsong achieved OHSAS 18001 certification during the year and received a one million fatality-free shifts award on 21 July 2008. Safety performance improved overall at Moab Khotsong which had an LTIFR for the year of 11.98 per million hours worked (2007: 13.48). There was one fatality in 2008 compared with five in 2007.

Operating review: Production continued to ramp-up with 5,965 kilograms (192,000 ounces) being produced in 2008 (2007: 2,081 kilograms; 67,000 ounces). Of this, 2,194 kilograms (71,000 ounces) were produced in the fourth quarter alone. Great Nologwa's SV4 section was transferred to Moab Khotsong at the end of June 2008, contributing 2,433 kilograms (77,000 ounces) for the six-month period July to December 2008. Moab Khotsong is scheduled to reach full annual production of 13,575 kilograms (436,000 ounces) in 2011. Development of Moab Khotsong was completed by December 2007 at a total cost of ZAR4,193 million (U.S.\$599 million at an average exchange rate of ZAR7/\$).

The values mined and volumes treated increased by 29 percent and 145 percent, respectively. This was mainly due to the ramp up and transfer of Great Nologwa's SV4 section to Moab Khotsong.

Total cash cost reduced 32 percent to ZAR102,216 per kilogram (U.S.\$379 per ounce) compared to ZAR150,135 per kilogram (U.S.\$668 per ounce) the previous year. Unit costs were positively affected by the higher level of production, which helped to offset higher labour and power costs.

Capital expenditure for the year totalled ZAR736 million (U.S.\$89 million) (2007: ZAR628 million; U.S.\$89 million).

Growth prospects: A study is underway on the optimal extraction of the ore body within the lower mine area of Moab Khotsong (beneath the farm Zaaiplaats), focusing on the main, higher-value portion. The

aim is to create as continuous a mine as possible, understanding that the window of opportunity for seamless integration has largely passed.

ARGENTINA



The Company has one gold mine in Argentina, Cerro Vanguardia. The Company owns the right to exploit the deposit up to 2036 based on the Usufruct Agreement signed in December 1996.

Description: The Company has a 92.5 percent interest in Cerro Vanguardia with Formicruz (the province of Santa Cruz) owning the remaining 7.5 percent. Located to the north-west of Puerto San Julian in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open pits with high stripping ratios. The ore bodies comprise a series of hydrothermal vein deposits containing gold and large quantities of silver, which is produced as a by-product.

Ore is processed at the metallurgical plant which has a capacity of 2,800 tonnes per day and includes a cyanide recovery plant. Technology at the plant is based on conventional leaching process in tanks and carbon-in-leach with a tailings dam incorporated in a closed circuit. The final recovery of gold and silver is achieved through a Merrill Crowe Method with metallic zinc.

Geology: The oldest rocks in this part of Patagonia are metamorphics of the Precambrian-Cambrian age. These are overlain by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens and are associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during the Middle and Upper Jurassic age over an area of approximately 100,000 square kilometres. These volcanic rocks include the Chon Aike formation ignimbrite units that host the gold bearing veins at Cerro Vanguardia. Post-mineral units include Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.

Gold and silver mineralisation at Cerro Vanguardia occurs within a vertical range of about 150 to 200 metres in a series of narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing - one set

strikes about N40W and generally dips 65 to 90 degrees to the east, while the other set strikes about N75W and the veins dip 60 to 80 degrees to the south.

The veins are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms: as massive quartz, banded chalcedonic quartz, and quartz-cemented breccias. Dark bands in the quartz are due to finely disseminated pyrite, now oxidised to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralised and appear to have been cut by a sequence of northeast-trending faults that have southerly movement with no appreciable lateral displacement.

Safety: Safety at Cerro Vanguardia deteriorated during the year. The LTIFR for 2008 was 3.98 per million hours worked compared to 3.34 in 2007. As in 2007, there were no fatalities. Corrective action was taken during 2008 to improve safety performance that included conducting safety awareness workshops for the managers responsible for operational safety, and for supervisors and contractors.

Operating review: Attributable gold production decreased by 25 percent to 154,000 ounces in 2008 from 204,000 ounces for 2007. This decline was mostly as a result of intermittent plant breakdowns that resulted in reduced tonnage throughput and poor grade recovery due to unexpected changes in soil composition. Management changes were implemented resulting in improved plant availability and recovered grade in the latter part of the year.

In 2008, total cash costs rose to U.S.\$608 per ounce from U.S.\$261 per ounce in 2007, reflecting chiefly reduced volumes mined and lower grades as well as lower gold and silver production due to periodic plant breakdowns. Additional factors affecting costs were increases in the cost of mining supplies, a function of the inflationary impact of higher commodity prices and higher maintenance costs (due to an extension on the useful life of some mine equipment), as well as an increase in workforce/contractor costs and a decrease in by-product credits resulting from lower silver sales.

Capital expenditure for the year amounted to U.S.\$16 million (2007: U.S.\$20 million).

Growth prospects: The four-year brownfields exploration programme entered its third year in 2008. The focus of the programme is to extend the life of mine and to delineate the shallow, high-grade Mineral Resource.

During 2009, Cerro Vanguardia will start the study on underground mining of the current high-grade and highstripping ratio open-pit reserves. This project will allow Cerro Vanguardia to reduce the stripping ratio from 25:1 to around 15:1, improve the capital efficiency of the current operation and optimise the feed grade. Development is estimated to start during 2009 with production scheduled to begin in 2010. This mining method at Cerro Vanguardia is estimated to produce approximately 560,000 ounces of gold and 6.3 million ounces of silver.

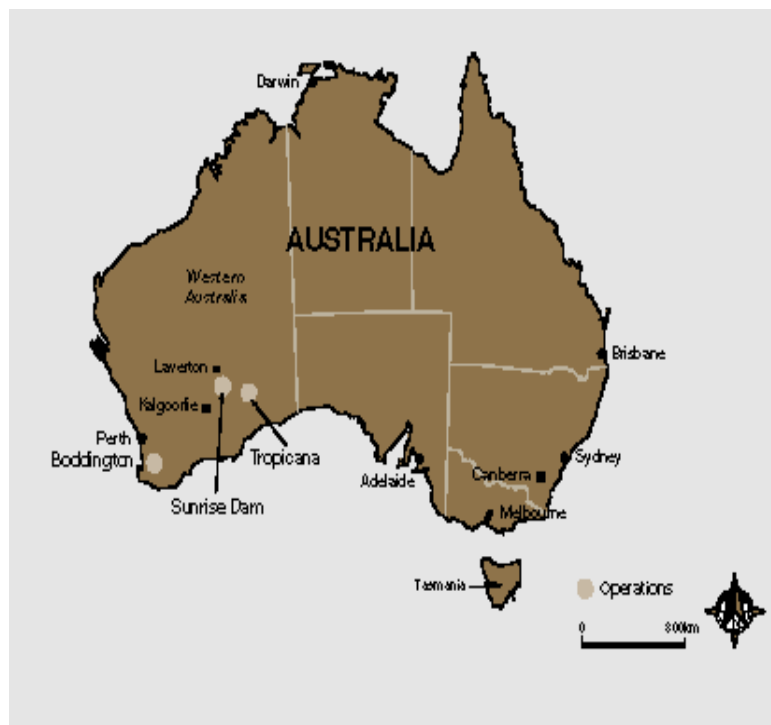
During 2009, the heap-leach study, investigating the treatment of the low-grade resources at Cerro Vanguardia by a small, heap-leaching operation, will be reviewed and updated. This update will also consider synergies with the new underground mining project. The heap-leach project will increase Cerro Vanguardia's gold production by around 25,000 ounces of gold annually, if approved.

Operating and production data for Cerro Vanguardia

	2008	2007	2006
Pay limit (oz/t)	0.19	0.18	0.13
Pay limit (g/t)	6.39	3.48	4.56
Recovered grade (oz/t)	0.159	0.201	0.213
Recovered grade (g/t)	5.44	6.88	7.29
Gold production (000 oz) 100 percent	166	220	232
Gold production (000 oz) 92.50 percent	154	204	215
Total cash costs (U.S.\$/oz)	608	261	225
Total production costs (U.S.\$/oz)	757	394	361
Capital expenditure (U.S.\$ million) 100 percent	16	20	19
Capital expenditure (U.S.\$ million) 92.50 percent	15	18	18
Employees ⁽¹⁾	756	708	623
Outside contractors ⁽¹⁾	316	309	283

(1) Average for the year.

AUSTRALIA



The Company'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 percent from 2007 and equivalent to 9 percent of the Group's 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 percent owned by the Company and currently the only producing the Company operation in Australia.

The **Boddington** project, a joint venture between the Company (33.33 percent) and Newmont Mining Corporation (66.67 percent).

The **Tropicana** project, a joint venture between the Company (70 percent) and Independence Group NL (30 percent).

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.

Geology: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones (for example, Sunrise Shear) and steeply dipping brittle-ductile low strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

Safety: While no fatalities were recorded, there was a slight deterioration in the rate of lost-time injuries. The LTIFR for the year was 2.63 (2007: 2.63).

Operating review: Production decreased by 28 percent to 433,000 ounces (2007: 600,000 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 percent to A\$619 per ounce (an increase of 74 percent in U.S. dollar terms to U.S.\$531 per ounce) from U.S.\$306 per ounce in 2007. Cash costs were impacted by significantly higher input costs, specifically for fuel and labour, during the year and by lower production.

Capital expenditure for the year amounted to A\$23 million (U.S.\$19 million) (2007: A\$35 million (U.S.\$30 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). Total reserves (after depletion) at the mine at year-end were 1.9 million ounces.

Operating and production data for Sunrise Dam

	2008	2007	2006
Pay limit (oz/t)	0.09	0.06	0.05
Pay limit (g/t)	2.79	1.76	1.64
Recovered grade (oz/t) ⁽¹⁾	0.101	0.142	0.099
Recovered grade (g/t) ⁽¹⁾	3.46	4.86	3.39
Gold production (000 oz)	433	600	465
Total cash costs (U.S.\$/oz)	531	306	298
Total production costs (U.S.\$/oz)	635	385	376
Capital expenditure (U.S.\$ million)	19	30	24
Employees ⁽²⁾	77	102	99
Outside contractors ⁽²⁾	333	255	283

(1) Open-pit operations.

(2) Average for the year.

Boddington (attributable 33.33 percent)

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.

Geology: Boddington is located in the Saddleback Greenstone Belt, a northwest-trending fault-bounded silver of greenstones about 50 kilometres long and eight kilometres wide within the Archaean Yilgarn Craton. The Boddington resource is located within a six kilometre strike length and consists of felsic to intermediate volcanics and related intrusives. The resource is subdivided into Wandoo South and Wandoo North. Wandoo South is centred on a composite diorite stock with five recognisable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.

Operating review and growth prospects: Development of the expansion project was approximately 88 percent complete at year-end, with the Company contributing U.S.\$419 million towards capital costs in 2008. Subsequent to the financial year-end, the Company announced the sale of its 33.33 percent stake in Boddington to the Newmont Mining Corporation.

Operating and production data for Boddington

	2008	2007	2006
Pay limit (oz/t)	–	–	–
Pay limit (g/t)	–	–	–
Recovered grade (oz/t)	–	–	–
Recovered grade (g/t)	–	–	–
Gold production (000 oz) 100 percent	–	–	–
Gold production (000 oz) 33.33 percent	–	–	–
Total cash costs (U.S.\$/oz)	–	–	–
Total production costs (U.S.\$/oz)	–	–	–
Capital expenditure (U.S.\$ million) 100 percent	1,257	747	180
Capital expenditure (U.S.\$ million) 33.33 percent	419	249	60
Employees ⁽¹⁾	92	37	12
Outside contractors ⁽¹⁾	696	387	85

(1) Average for the year.

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-northeast of Kalgoorlie within the northern part of the joint venture area. The Company holds a 70 percent interest in the Tropicana JV and Independence Group NL holds a 30 percent interest.

Geology: The Tropicana deposit comprises two known mineralised zones, the Tropicana zone to the north and Havana zone to the south. Together the known mineralised zones define a system that extends over a 4 kilometre strike length. The lenses have been tested to a vertical depth of 350 metres to 400 metres, and are open down dip. The Tropicana and Havana zones are grossly "stratiform" within the preferred gneissic host sequence. Havana zone consists of multiple stacked lenses, whereas Tropicana comprises one main mineralised lens.

Operating review and growth prospects: 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 2.06g/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.

BRAZIL



The two assets in Brazil are AngloGold Ashanti Brasil Mineração and Serra Grande. In 2008, these operations together produced an attributable 407,000 ounces of gold, equivalent to 8 percent of the Group's production. (2007: an attributable 408,000 ounces of gold, equivalent to 7 percent of the Group's production).

AngloGold Ashanti Brasil Mineração

Description: The wholly-owned AngloGold Ashanti Brasil Mineração (Brasil Mineração) complex is located in south-eastern Brazil in the state of Minas Gerais, close to the city of Belo Horizonte, in the municipalities of Nova Lima, Sabará and Santa Bárbara. Ore is sourced from the Cuiabá underground mine, and then processed at the Cuiabá and Queiroz plants, and from the Córrego do Sítio heap-leach operation.

Geology: The area in which Brasil Mineração is located is known as the Iron Quadrangle and is host to historic and current gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle is composed of Proterozoic and Archaean volcano sedimentary sequences and Pre Cambrian granitic complexes. The host to the gold mineralisation is the volcano-sedimentary Nova Lima Group ("NLG") that occurs at the base of the Rio das Velhas SuperGroup ("RDVS"). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at Sabara Municipality, has gold mineralisation associated with sulphides and quartz veins in Banded Ironstone Formation ("BIF") and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold mineralisation with a common association between large-scale shear zones and their associated structures. Where BIF is mineralised the ore appears strongly stratiform due to the selective sulphidation of the iron rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

The controlling mineralisation structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralisation is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulphide mineralisation consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to occur as a

late-stage fracture fill and is not associated with gold mineralisation. Wallrock alteration is typically carbonate, potassic and silicic.

Brazil – Summary of metallurgical operations

	AngloGold Ashanti Mineração		
	Cuiabá	Raposos	Serra Grande
Gold plants			
Capacity (000 tonnes/month)	135	26	66
Current throughput	112	Shut down	-

Safety: Safety levels deteriorated during the course of the year with the LTIFR at 3.06 per million hours worked in 2008 as opposed to 2.30 in 2007. A safety programme to restore former levels of safety performance and renew awareness of the importance of working safely among employees has been put in place. There were no fatalities in 2008.

Operating review: Gold production for 2008, supported mainly by the Cuiabá mine, where the expansion project has been completed, and the Córrego do Sítio mine, was almost unchanged in line with expectations at 320,000 ounces (2007: 317,000 ounces).

From an operating perspective, the development rate at Cuiabá improved as planned with a focus on greater mine flexibility. Strategic action was taken to enhance long-term performance at Cuiabá and extend its life of mine. This included increasing the backfill rate to the mine, re-structuring the maintenance programme and reviewing maintenance contracts, as well as implementing a management strategy focusing on cost optimisation in 2009. Also introduced were new preventive controls and the monitoring of geotechnical conditions and the stability of the hanging-wall in particular. All of these actions are aimed at consolidating a sustainable long-term rate of production.

Total cash costs rose by 29 percent from U.S.\$233 per ounce in 2007 to U.S.\$300 per ounce in 2008. Higher costs were largely a result of the appreciation of the local Brazilian currency (the real) against the U.S. dollar and higher inflation on materials, services and maintenance costs, partially offset by the better price received for sulphuric acid by-product.

Capital expenditure for the year totalled U.S.\$69 million, significantly lower than the U.S.\$117 million spent in 2007 given the completion of the Cuiabá Expansion Project.

Growth prospects: The Córrego do Sítio Underground Sulphide Project continues and will exploit the sulphide resources of the Córrego do Sítio underground ore bodies, namely Cachorro Bravo, Laranjeiras and Carvoaria Velha. The project estimates production of 90,000 ounces of gold annually from a total of 5.4Mt of ore milled. Full production is scheduled to begin in 2012.

The development of a ramp and exposure of the Cachorro Bravo and Laranjeiras ore bodies continues as does the access drives to the Carvoaria Velha ore body. Exposure of the Laranjeira ore body, to increase the extent of the mineable resources, has commenced. Trial mining on the Cachorro Bravo ore body is in progress and operational mining parameters for the feasibility study are being confirmed. Two mine methods are being tested: sub-level stoping and cut-and-fill mining. The metallurgical process is being confirmed and indications are that pressure oxidation via autoclaves will be the best option given the characteristics of the ore.

In December 2008, the Company acquired the São Bento mine, a Brazilian gold mining operation that was wholly-owned by Eldorado and held in SBMSA, an indirect, wholly-owned subsidiary of Eldorado. The São Bento mine is situated in the vicinity of the Córrego do Sítio mine, in the municipality of Santa Bárbara in the Iron Quadrangle region of Minas Gerais State. This acquisition will double the scale and enhance the feasibility of the Córrego do Sítio Project, thus enhancing the dominant position of the Company as a gold producer in Brazil's Iron Quadrangle.

During 2008, development at the Lamego Project, which explores the ore bodies on the Lamego property close to the Cuiabá mine, totalled 4,063 metres. Lamego is expected to produce approximately

345,000 ounces of gold over nine years from 2.14Mt of milled ore. Production is scheduled to start in mid-2009. Given the same elliptical structure and the project's proximity to Cuiabá, ore mined here will be treated at the Cuiabá plant – this was factored into the recently completed expansion project at Cuiabá.

The Raposos Project explores the re-opening of the Raposos mine that was suspended in 1998 when the gold price was less than U.S.\$300 per ounce. The existing underground and surface infrastructure at Raposos Mine was reviewed and new technical recommendations made on adapting the existing facilities to the new requirements. The project is based on the ore resources defined in the mine evaluation block between mine levels 34 and 44, totalling 2Mt at 7g/t Au with 530,000 ounces of gold content. The ore mined here will be processed using idle capacity at the Queiroz plant. A feasibility study is being prepared for submission to the board for approval during 2009. Production is expected to begin in 2011 with development activities progressing from 2009 and 2010.

Operating and production data for Brasil Mineração

	2008	2007	2006
Pay limit (oz/t)	0.15	0.13	0.09
Pay limit (g/t)	5.16	3.50	3.10
Recovered grade (oz/t) ⁽¹⁾	0.222	0.218	0.222
Recovered grade (g/t) ⁽¹⁾	7.62	7.48	7.60
Gold production (000 oz)	320	317	242
Total cash costs (U.S.\$/oz)	300	233	195
Total production costs (U.S.\$/oz)	432	344	266
Capital expenditure (U.S.\$ million)	69	117	168
Employees ⁽²⁾	1,954	1,814	1,546
Outside contractors ⁽²⁾	1,033	1,620	2,065

(1) Recovered grade represents underground operations.

(2) Average for the year.

Serra Grande (attributable 50 percent)

Description: Serra Grande is located in central Brazil, in the state of Goiás, five kilometres from the city of Crixás. The Company and the Kinross Gold Corporation are joint partners in this operation. In terms of the shareholders' agreement, the Company manages the operation and has the right to access a maximum of 50 percent of the earnings accrued and dividends paid by Serra Grande.

Serra Grande comprises two underground mines, Mina III and Mina Nova, an open pit at Mina III, and a new mine named Palmeiras where the main ramp development began in May 2008 and production is anticipated during 2009. Annual capacity of the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, is being expanded from about 818,000 tonnes annually to 1.150Mt annually. This expansion is expected to be completed by mid-2009.

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antas Formations of the Archaean Pilar de Goia's Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralisation is associated with massive sulphides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with

development of siderite and ankerite veining in the surrounding wallrock, usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures evident.

The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied by significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás ore bodies are adjacent to a major north-northwest structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to northwest southeast basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of significant mineralisation within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralising fluids probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip during folding. Gold mineralisation became minor and dispersed to the north and east along the formal thrust flat zone. Concentrations of gold along the case of quartz vein may be due to the damming of fluids migrating upward along layering.

Safety: There was an improvement in safety regarding lost-time injuries during the course of the year with an LTIFR of 1.72 per million hours worked compared with 2.47 per million hours worked in 2007. Unfortunately, there was one fatality in the first quarter of the year (2007: one), a result of an incident involving a truck, which gives a FIFR of 0.43 per million.

Operating review: Attributable production of 87,000 ounces in 2008 represents a decrease of 5 percent from the 91,000 ounces produced in 2007. This was chiefly due to the lower tonnage of ore treated at the underground operation. Palmeiras Mine has a resource of 207,000 ounces and is expected to start operating in 2009 with average annual production of 16,000 ounces from 2010.

Total cash costs increased by 12 percent to U.S.\$294 per ounce (2007: U.S.\$263 per ounce), again largely due to reduced production, the appreciation of the Brazilian real and inflation, which affected the cost of power, labour, fuel and maintenance services.

Capital expenditure amounted to U.S.\$41 million, (attributable: U.S.\$20 million) from U.S.\$24 million spent in 2007 (attributable: U.S.\$12 million).

Growth prospects: An aggressive brownfields exploration campaign at Serra Grande aims to increase reserves and resources in and around Mina III and Mina Nova. In 2008, there was an increase in resources and reserves at Serra Grande with the discovery last year of the Pequizão ore body that is located between Mina Nova and Mina III. In 2008, exploration activities focused on evaluating the Pequizão strike and down-plunge extension as well as on investigating the continuity of Palmeiras, Ore body V and Mina Nova.

Operating and production data for Serra Grande

	2008	2007	2006
Pay limit (oz/t)	0.16	0.14	0.09
Pay limit (g/t)	5.61	3.90	3.24
Recovered grade (oz/t)	0.221	0.210	0.219
Recovered grade (g/t)	7.58	7.21	7.51
Gold production (000 oz) 100 percent	174	182	194
Gold production (000 oz) 50 percent	87	91	97
Total cash costs (U.S.\$/oz)	294	263	198
Total production costs (U.S.\$/oz)	394	351	265
Capital expenditure (U.S.\$ million) 100 percent	41	24	17
Capital expenditure (U.S.\$ million) 50 percent	20	12	8
Employees ⁽¹⁾	725	654	609
Outside contractors ⁽¹⁾	383	264	208

(1) Average for the year.

GHANA



The two the Company operations in Ghana, Obuasi and Iduapriem, had combined total attributable production of 557,000 ounces, equivalent to approximately 11 percent of the Group's production, for 2008, compared with an attributable production of 527,000 ounces, equivalent to approximately 10 percent of group production in 2007.

Obuasi

Description: Obuasi, which is wholly-owned by the Company, is located in the Ashanti region of southern Ghana, approximately 80 kilometres from Kumasi. It is primarily an underground mine operating at depths of 1,500 metres, although some surface mining does occur. Three treatment plants process the ore: a sulphide plant treats the ore from underground, a tailings plant undertakes tailings reclamation and an oxide plant is used to batch treat remnant open-pit ore and stockpiles.

Geology: The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometres in a northeast/southwest trend in south-western Ghana. Obuasi mineralisation is shear-zone related and there are three main structural trends hosting gold mineralisation: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

- quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulphides such as iron, zinc, lead and copper. The gold particles are generally fine grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- sulphide ore which is characterised by the inclusion of gold in the crystal structure of a sulphide material. The gold in these ores is fine grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulphide ore is generally refractory.

Ghana – Summary of metallurgical operations

	Sulphide Treatment Plant	Obuasi Tailings Treatment Plant	Oxide Treatment Plant	Bibiani	Iduapriem
Gold plants					
Capacity (000 tonnes/month)	200	200	150	225	375

Safety: Regrettably there were two fatalities during the year (2007: four), one caused by an accident involving a fall of ground and one by an accident involving machinery. The LTIFR for the year improved to 2.10 per million hours worked, from 2.72 in 2007. The FIFR also improved to 0.10 in 2008 from the previous 0.19 per million hours worked in 2007.

The process to obtain OHSAS 18001 accreditation for Obuasi was completed in December 2008 after a successful certification audit.

Operating review: The marginal decline of less than 1 percent in annual production from 360,000 ounces in 2007 to 357,000 ounces in 2008 was a result of a decrease in underground volumes and the grade mined, as well as unscheduled work stoppages at the plant for repairs and maintenance to the ball mill during the year. Water quality issues affected mill tonnages twice during the year and were exacerbated by the delay in the commissioning of the tailings sulphide plant to mid-2009. However, production did improve as the year progressed, particularly in the second half of the year as the results of the short-term turnaround project at Obuasi became apparent. Development metres increased, contributing to greater mining flexibility which delivered a greater throughput of tonnes and improved grades in the second half of the year. Following plant maintenance around mid-year and the commissioning of a larger regrind mill, metallurgical recoveries did improve in the second half of the year – although overall these too were marginally down on the year.

The 38 percent increase in total cash costs from U.S.\$459 per ounce in 2007 to U.S.\$633 per ounce in 2008 was due primarily to inflationary pressures resulting in substantial increases in power tariffs, contractor costs and the price of fuel and reagents over the year, as well as higher royalty payments.

Capital expenditure totalled U.S.\$112 million (2007: U.S.\$94 million).

Growth prospects: While Obuasi is currently a focus of the short-term business turnaround plan, it is also an initial target of the Group's longer-term business improvement plan, the aim of which is sustained improvements to operational performance and efficiencies. At Obuasi in particular, this strategy aims to increase development metres, which are essential to mining flexibility, to improve the volumes processed and recovered by the sulphide plant by enhancing the grinding and flotation functions, to increase productivity and to improve maintenance. The aim is to increase monthly ore production by 35 percent, grade to 7g/t by end-2009 and metallurgical recoveries at the sulphide plant to approximately 83 percent by mid-2009. The number of areas being mined will be consolidated to 10 (from 14) and development metres increased so as to ensure 18 months of reserves. In addition, high speed development crews will be used to target selected areas. Changes to the mining method include a preference for longitudinal mining and increasing the stope length to a maximum of 70 metres.

Operating and production data for Obuasi

	2008	2007	2006
Pay limit (oz/t) ⁽¹⁾	0.29	0.28	0.23
Pay limit (g/t)	9.35	8.49	7.13
Recovered grade (oz/t) ⁽¹⁾	0.127	0.129	0.128
Recovered grade (g/t)	4.37	4.43	4.39
Gold production (000 oz)	357	360	387
Total cash costs (U.S.\$/oz)	633	459	395
Total production costs (U.S.\$/oz)	834	698	600
Capital expenditure (U.S.\$ million)	112	94	91
Employees ⁽²⁾	4,259	4,672	5,629
Outside contractors ⁽²⁾	1,463	1,554	2,210

(1) Pay limits and recovered grade refer to underground ore resources.

(2) Average for the period.

Iduapriem

Description: Iduapriem comprises two properties: Iduapriem and Teberebie. The Iduapriem mine is situated in the western region of Ghana, some 70 kilometres north of the coastal city of Takoradi and 10 kilometres south-west of Tarkwa. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp ("CIP") plant.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralisation is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic Age. The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Safety: Despite the heightened focus on training and education, safety performance deteriorated during the year. The LTIFR was 1.63 per million hours worked (2007: 0.46). There were no fatalities. Iduapriem achieved OHSAS 18001 certification in January 2008 after a successful certification audit.

Operating review: Despite the decline in grade mined, attributable production increased from 167,000 ounces in 2007 to 200,000 ounces in 2008. Crushed tonnage improved significantly by 26 percent mainly due to commissioning of the Scats crusher in the first quarter of 2008 and a marked improvement in blast fragmentation, assisting throughput in the second half of the year, despite problems experienced in the first and third quarter with mill gearbox and crusher component failures. Recovered grade declined by 5 percent mainly due to a reduced head grade and lower recoveries during the first half of the year. Mechanical upgrading of the hydraulic flow path in the leach section improved residence time and recoveries during the fourth quarter.

Total cash costs at U.S.\$525 per ounce increased by 41 percent compared to 2007 total cash cost of U.S.\$373 per ounce as a result of substantial increases in power tariffs during the second half of the year, higher royalty payments and contractor costs, and a surge in the price of fuel and consumables.

Capital expenditure for the year amounted to U.S.\$54 million (attributable 2007: U.S.\$23 million), spent primarily on the advancement of the plant expansion project. Due to delays experienced in the delivery of long-lead critical items, project commissioning, originally scheduled for the fourth quarter of 2008, has been postponed to the first quarter of 2009.

Growth prospects: While the mine has limited growth prospects on surface, the recent surge in the gold price has led to renewed interest in evaluating the considerable low-grade Mineral Resources of other properties lying in the Tarkwaian conglomerates that extend below the economic limits of the existing pits. Additional drilling to give more confidence to existing data has been scheduled for 2009 and the scoping study will subsequently be progressed to the pre-feasibility stage.

Operating and production data for Iduapriem

	2008	2007 ⁽³⁾	2006
Pay limit (oz/t)	0.04	0.06	0.05
Pay limit (g/t)	1.43	1.66	1.60
Recovered grade (oz/t) ⁽¹⁾	0.051	0.054	0.051
Recovered grade (g/t) ⁽¹⁾	1.76	1.85	1.74
Gold production (000 oz) 100 percent	200	185	196
Gold production (000 oz) 100 percent ⁽³⁾	200	167	167
Total cash costs (U.S.\$/oz)	525	373	368
Total production costs (U.S.\$/oz)	611	495	478
Capital expenditure (U.S.\$ million) 100 percent	54	24	6
Capital expenditure (U.S.\$ million) 100 percent ⁽³⁾	54	23	5
Employees ⁽²⁾	732	721	668
Outside contractors ⁽²⁾	1,048	602	583

(1) Recovered grade represents open pit operations.

(2) Average for the period.

(3) 100 percent owned effective 1 September 2007. Prior to this date, the effective holding was 85 percent.

Bibiani

Bibiani in Ghana was sold to Central African Gold plc effective 28 December 2006.

Operating and production data for Bibiani

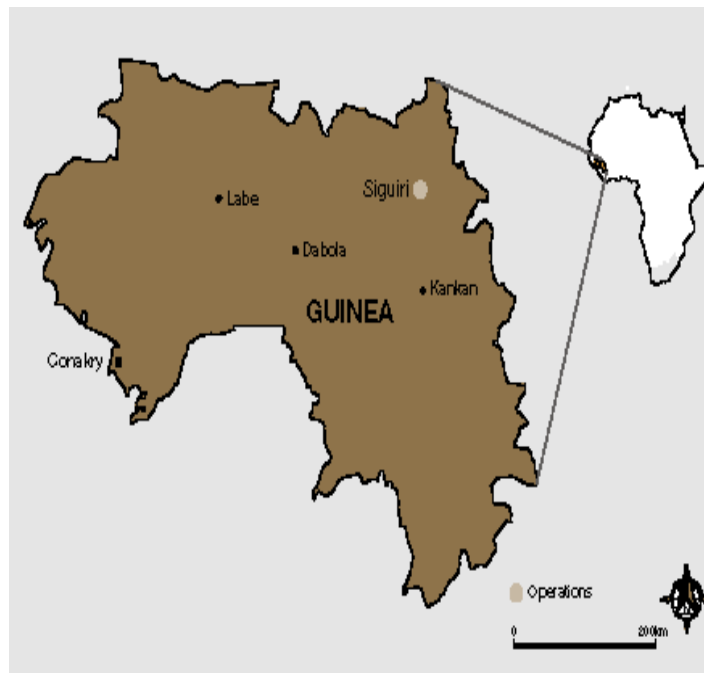
	2008	2007	2006 ⁽³⁾
Pay limit (oz/t)	-	-	0.030
Pay limit (g/t)	-	-	0.83
Recovered grade (oz/t) ⁽¹⁾	-	-	0.016
Recovered grade (g/t) ⁽¹⁾	-	-	0.55
Gold production (000 oz)	-	-	37
Total cash costs (U.S.\$/oz)	-	-	437
Total production costs (U.S.\$/oz)	-	-	464
Capital expenditure (U.S.\$ million)	-	-	-
Employees ⁽²⁾	-	-	211
Outside contractors ⁽²⁾	-	-	142

(1) Recovered grade represents surface and dump reclamation in 2006.

(2) Average for the period.

(3) For the eleven months from January 2006 to November 2006.

GUINEA



The Company has one gold mining operation, Siguiri, in the Republic of Guinea. Siguiri produced 333,000 attributable ounces of gold in 2008, equivalent to 7 percent of the Group's production and 280,000 attributable ounces of gold in 2007, or 5 percent of group production.

Description: the Company has an 85 percent interest in Siguiri and the government of Guinea has a 15 percent stake. The Siguiri mine is a conventional open-pit operation situated in the Siguiri district in the north-east of the Republic of Guinea, West Africa, about 850 kilometres from the capital city of Conakry. All ore and waste is mined by a mining contractor and the ore is processed using a CIP process. Siguiri mines two types of gold deposits, laterite and in situ quartz-vein related mineralisations that have been deeply weathered to form saprolite mineralisation.

Geology: This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences. The two main types of gold deposits which occur in the Siguiri basin and are mined are:

- laterite or CAP mineralisation which occurs as aprons of colluvial or as palaeo channels of alluvial lateritic gravel adjacent to, and immediately above; and
- in situ quartz-vein related mineralisation hosted in meta-sediments with the better mineralisation associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralised rocks have been deeply weathered to below 100 metres in places to form saprolite or SAP mineralisation. The practice at Siguiri has been to blend the CAP and SAP ore types and to process these using the heap-leach method. With the percentage of available CAP ore decreasing, however, a new CIP plant was brought on stream during 2005 to treat predominantly SAP ore.

Safety: Overall safety standards were maintained at Siguiri with an LTIFR for the year of 0.42 per million hours worked (2007: 0.41). There were no fatalities. Following a successful certification audit, the process to obtain OHSAS 18001 accreditation was completed in December 2008.

Operating review: Attributable production increased by 19 percent to a record of 333,000 ounces in 2008 from 280,000 ounces produced in 2007. This increase was a function of improved throughput – the CIP plant performed consistently well throughout the year, with availability of 93 percent, the

processing of 10 million tonnes aided by increased throughput during the wet season and a metallurgical recovery rate of 95.8 percent for the year – and the mining of higher grade pits early in the year which led to improved yields.

Total cash costs were fractionally higher at U.S.\$466 per ounce (2007: U.S.\$464 per ounce).

Attributable capital expenditure was U.S.\$18 million (2007: U.S.\$18 million).

Growth prospects: It is expected, with the exploration at Kintinian and Sintroko nearing completion, that additional ounces will be converted to reserves in early 2009. Regarding the CIP plant, the designs of a second gravity concentrator and de-gritting facilities are being finalised and these will be installed during 2009; they are expected to improve plant recovery and increase throughput. Studies are underway to increase plant throughput from 2010 onwards.

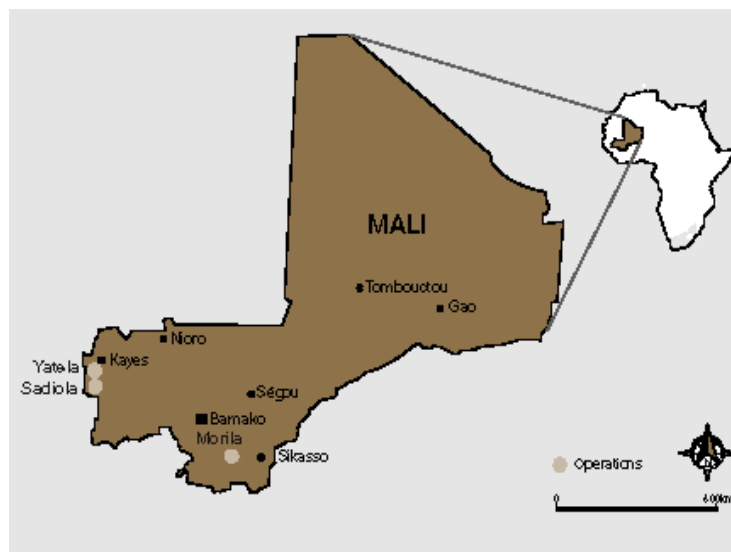
Operating and production data for Siguiri

	2008	2007	2006
Pay limit (oz/t)	0.03	0.03	0.03
Pay limit (g/t)	0.93	0.95	0.94
Recovered grade (oz/t) ⁽¹⁾	0.035	0.031	0.032
Recovered grade (g/t) ⁽¹⁾	1.20	1.05	1.08
Gold production (000 oz) – 100 percent	392	330	301
Gold production (000 oz) – 85 percent	333	280	256
Total cash costs (U.S.\$/oz)	466	464	399
Total production costs (U.S.\$/oz)	542	599	552
Capital expenditure (U.S.\$ million) – 100 percent	22	21	16
Capital expenditure (U.S.\$ million) – 85 percent	18	18	14
Employees ⁽²⁾	1,489	1,537	1,541
Outside contractors ⁽²⁾	1,444	1,380	1,167

(1) Recovered grade represents open pit operations.

(2) Average for the period.

MALI



The Company 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 percent of the Group's production (2007: 441,000 attributable ounces of gold, equivalent to 8 percent of group production).

Ownership of these three operations is as follows:

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

Total attributable production from the Mali operations was 7 percent down from that of 2007. Overall the total cash cost at these operations was U.S.\$430 per ounce, an annual increase of 23 percent. 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 (attributable 38 percent)

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.

Geology: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the Kenieba Window. The specific rocks which host the mineralisation are marbles and greywackes which have been intensely weathered to a maximum depth of 200 metres. A series of north-south trending faults occur that are the feeders to 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 from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulphide ore has been mined and in future will progressively replace the depleting oxide reserves.

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.

Operating review: Attributable production rose by 23 percent 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 percent to U.S.\$399 per ounce (2007: U.S.\$414 per ounce), 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 U.S.\$8 million – attributable U.S.\$3 million, compared to 2007 capital expenditure of U.S.\$16 million or an attributable U.S.\$6 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.

Operating and production data for Sadiola

	2008	2007	2006
Pay limit (oz/t)	0.07	0.08	0.06
Pay limit (g/t)	2.18	2.46	1.98
Recovered grade (oz/t)	0.100	0.081	0.094
Recovered grade (g/t)	3.42	2.76	3.22
Gold production (000 oz) 100 percent	453	369	500
Gold production (000 oz) 38 percent	172	140	190
Total cash costs (U.S.\$/oz)	399	414	270
Total production costs (U.S.\$/oz)	554	462	335
Capital expenditure (U.S.\$ million) 100 percent	8	16	11
Capital expenditure (U.S.\$ million) 38 percent	3	6	4
Employees ⁽¹⁾	634	618	589
Outside contractors ⁽¹⁾	876	911	705

(1) Average for the year.

Yatela (attributable 40 percent)

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.

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.

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 percent 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 from U.S.\$322 per ounce in 2007 to U.S.\$572 per ounce in 2008, a result of the significantly reduced levels of production, weaker dollar against the euro and higher fuel and reagent prices.

Capital expenditure of U.S.\$8 million (attributable U.S.\$3 million) in 2008 was spent mostly on the construction of additional leach pads (2007: U.S.\$5 million - attributable U.S.\$2 million).

Operating and production data for Yatela

	2008	2007	2006
Pay limit (oz/t)	0.04	0.04	0.06
Pay limit (g/t)	1.34	1.37	1.79
Recovered grade (oz/t)	0.078	0.101	0.120
Recovered grade (g/t)	2.66	3.46	4.12
Gold production (000 oz) 100 percent	165	301	352
Gold production (000 oz) 40 percent	66	120	141
Total cash costs (U.S.\$/oz)	572	322	228
Total production costs (U.S.\$/oz)	591	381	299
Capital expenditure (U.S.\$ million) 100 percent	8	5	3
Capital expenditure (U.S.\$ million) 40 percent	3	2	1
Employees ⁽¹⁾	305	265	203
Outside contractors ⁽¹⁾	583	638	675

(1) Average for the year.

Morila (attributable 40 percent)

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 the Company's joint venture partner, Randgold Resources Limited.

Geology: Morila is a mesothermal flat lying shear-zone hosted deposit, which, apart from rising to the surface in the west against steep faulting, lies flat. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralisation is characterised by silica-feldspar alteration and sulphide mineralisation consists of arsenopyrite, pyrrhotite, pyrite and chalcopyrite.

Safety: Safety is under the control and management of Randgold Resources Limited.

Operating review: Attributable gold production at Morila decreased 6 percent 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 percent 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 by 20 percent from U.S.\$350 per ounce in 2007 to U.S.\$419 per ounce in 2008, 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.

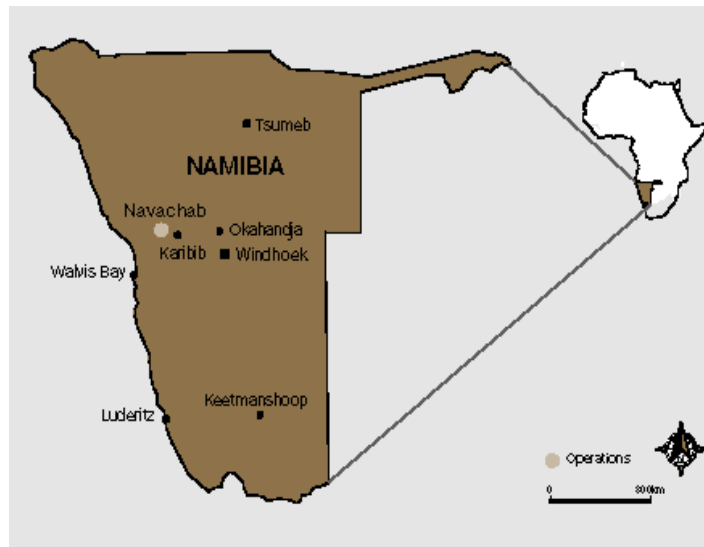
Capital expenditure was U.S.\$3 million (attributable U.S.\$1 million) in 2008 compared to U.S.\$1.3 million or U.S.\$0.50 million attributable in 2007.

Operating and production data for Morila

	2008	2007	2006
Pay limit (oz/t)	0.06	0.08	0.08
Pay limit (g/t)	2.17	2.46	2.41
Recovered grade (oz/t)	0.090	0.098	0.113
Recovered grade (g/t)	3.08	3.36	3.88
Gold production (000 oz) 100 percent	425	450	517
Gold production (000 oz) 40 percent	170	180	207
Total cash costs (U.S.\$/oz)	419	350	275
Total production costs (U.S.\$/oz)	495	421	349
Capital expenditure (U.S.\$ million) 100 percent	3	1.3	3
Capital expenditure (U.S.\$ million) 40 percent	1	0.5	1
Employees ⁽¹⁾	605	498	500
Outside contractors ⁽¹⁾	1,098	1,188	1,075

(1) *Average for the year.*

NAMIBIA



The Company has one wholly-owned gold mining operation in Namibia, Navachab. In 2008, Navachab produced 68,000 ounces of gold, equivalent to 1 percent of the Group's production compared to 80,000 ounces of gold, equivalent to 1 percent of group production in 2007.

Description: The Navachab mine is situated near Karibib and 170 kilometres north-west of Windhoek in Namibia, on the south-western coast of Africa. Navachab is an open-pit mine and its processing plant, with a production capacity of 120,000 tonnes per month, includes mills, carbon-in-pulp (CIP) and electrowinning facilities. The Navachab gold plant has a capacity of 110,000 tonnes per month.

Geology: The Navachab deposit is hosted by Damaran greenschistam-phybolite facies, calc-silicates, marbles and volcanoclastics. 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 degree to the north-west. The mineralisation is predominantly hosted in a sheeted vein set (± 60 percent) and a replacement skarn body (± 40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

Safety: Safety, health and the environment are matters of key importance at Navachab. In 2008 the mine was both fatality and lost-time injury free. The improvement in safety performance was a highlight of 2008, and maintaining this track record is an aim of management.

Operating review: Gold production at Navachab declined by 15 percent to 68,000 ounces in 2008 from 80,000 ounces in 2007, largely a result of the significant production challenges encountered. This included the substantially reduced availability of drilling machines, with respect to both performance and capacity which affected mining throughput, as well as the shortage of skills which contributed to a decrease in tonnes broken for the year. In addition, underperformance at the North Pit 2 satellite pit, which had a budgeted contribution of 31 percent to plant feed, affected overall mine production negatively. The decrease in tonnes mined affected stockpile volumes and values, resulting in decreased mine flexibility and a decline in grades.

Unit cash costs increased significantly, up 27 percent to U.S.\$534 per ounce, as compared to U.S.\$419 per ounce achieved in 2007, the result of increases in the cost of labour, diesel and explosives, and compounded by the decline in gold production.

Capital expenditure for the dense media separation ("DMS") plant was approved in 2008. Construction and commissioning of the DMS plant will begin in 2009, and the benefits resulting from its use will be realised from 2010 onwards.

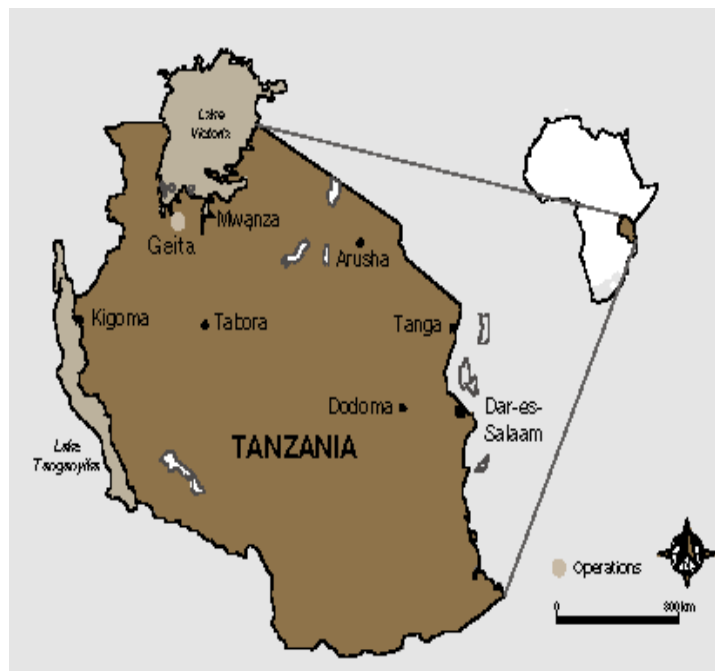
Growth prospects: Expansion work on the eastern pushback continues and the additional work on the superpit, which involves the expansion of the hanging-wall of the main ore body, is a key aspect of the plan. The dense media separation (DMS) plant is to be incorporated into the mine's processing facilities at a cost of U.S.\$4.5 million (U.S.\$17 million was spent on this plant in 2008), and it is expected that this will improve production levels.

Operating and production data for Navachab

	2008	2007	2006
Pay limit (oz/t)	0.04	0.04	0.04
Pay limit (g/t)	1.29	1.22	1.29
Recovered grade (oz/t)	0.042	0.046	0.053
Recovered grade (g/t)	1.43	1.56	1.81
Gold production (000 oz) 100 percent	68	80	86
Total cash costs (U.S.\$/oz)	534	419	265
Total production costs (U.S.\$/oz)	601	479	348
Capital expenditure (U.S.\$ million) 100 percent	12	6	5
Employees ⁽¹⁾	482	409	313
Outside contractors ⁽¹⁾	–	–	–

(1) Average for the year.

TANZANIA



The Company has one gold mining operation in Tanzania, Geita, which produced 264,000 ounces of gold in 2008, equivalent to 6 percent of the Group's production and 327,000 ounces of gold, equivalent to 6 percent of group production in 2007.

Geita

Description: The Geita gold mine is situated 80 kilometres south-west of the town of Mwanza in the north-west of Tanzania. The Geita gold deposit is an Archaean mesothermal ore body, largely hosted in a banded ironstone formation. It is a multiple open-pit operation with further underground potential which is currently serviced by a 5.2Mt per annum carbon-in-leach (CIL) processing plant.

Geology: Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralisation is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralisation can occur in the diorite as well (usually in association with BIF-hosted mineralisation), and approximately 20 percent of the gold is hosted in the diorite.

Safety: Geita Gold Mine is OHSAS 18001 certified. The lost-time injury frequency rate for 2008 was 0.86 per million hours worked (2007: 0.68). No fatalities were recorded during the year.

Operating review: Production at Geita declined by 19 percent from 327,000 ounces in 2007 to 264,000 ounces in 2008. Lack of access to higher-grade ore bodies following the collapse of the Nyankanga Pit in the first quarter of 2007 continued to have an effect on recovered grades which declined to 1.92g/t. Process plant throughput was seriously affected by a 30-day shutdown of the SAG mill during part of September and October resulting in a halving of production for that period.

Global inflation impacted the entire business. Major contributors to the 55 percent increase in total production costs of U.S.\$929 per ounce (2007: U.S.\$601 per ounce) included lower production, the price of oil, which affected on-site power generation and the running costs of heavy earth-moving equipment, as well as that of spares and reagents. Although a substantial increase in basic salaries was enforced, the total number of employees was reduced through natural attrition by 9 percent for the year with further consolidation of functions envisaged in the future. In addition, a fourth shift was introduced in the production arena, which had the effect of reducing overtime requirements by some 90 percent.

Capital expenditure was U.S.\$53 million (2007: U.S.\$27 million).

Growth prospects: *Exploration* - Exploration activities during 2008 focused on strike additions at the Area 3, Star & Comet, Kalondwa Hill and Lone Cone deposits, together with the detection of regolith gold anomalies below laterite cover via air core drilling at Matandani NW. Results suggest the potential for a 1.7 kilometre zone of gold mineralisation on-strike at Area 3, and infill drilling to prove up the resource continues. To assist future exploration, an airborne geophysics survey of the areas covered by Geita's licences and adjacent prospecting licences started in the third quarter. Early interpretation of transient electromagnetic data defined several targets which will be followed up in 2009. During the third quarter of 2008, an intense programme of advanced grade control was completed at Nyankanga cut five to increase confidence in the production forecast for 2009.

New pits - While the Star & Comet pit was commissioned during 2008, the Lone Cone pit was depleted. Pushback 5 in the Nyankanga pit will start yielding ore during the first quarter of 2009, together with the Star & Comet; these two pits will be the main sources of ore in 2009. The Geita Hill pit will provide the background tonnes, albeit at a much lower grade.

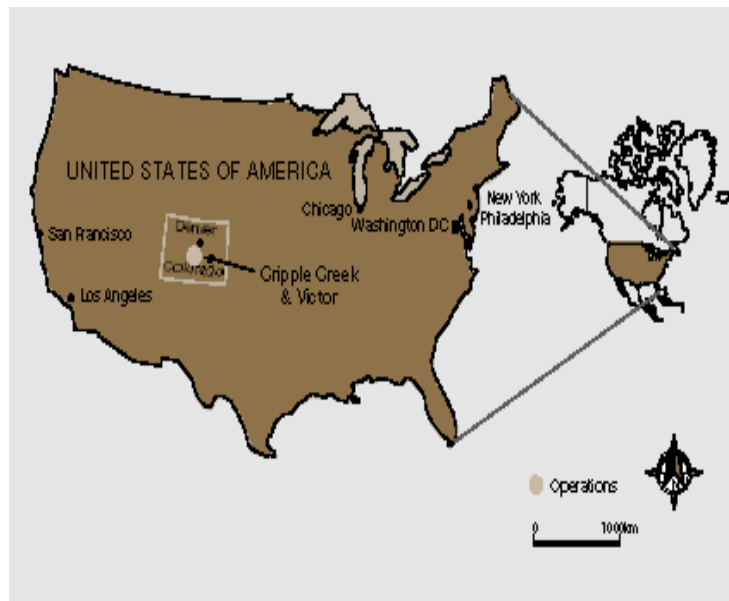
Metallurgy - Test work continues to identify processing options regarding the refractory ore from Matandani and Kukuluma.

Operating and production data for Geita

	2008	2007	2006
Pay limit (oz/t)	0.10	0.09	0.13
Pay limit (g/t)	3.10	3.04	4.16
Recovered grade (oz/t)	0.056	0.059	0.049
Recovered grade (g/t)	1.92	2.01	1.68
Gold production (000 oz)	264	327	308
Total cash costs (U.S.\$/oz)	728	452	497
Total production costs (U.S.\$/oz)	929	601	595
Capital expenditure (U.S.\$ million)	53	27	67
Employees ⁽¹⁾	2,130	2,304	2,043
Outside contractors ⁽¹⁾	986	922	1,177

(1) Average for the year.

UNITED STATES OF AMERICA



CC&V is the Company's sole active operation in the United States. In 2008, CC&V produced 258,000 ounces of gold, or 5 percent of the Group's production compared to 282,000 ounces of gold, or 5 percent of group production in 2007.

Cripple Creek & Victor

Description: Located in the State of Colorado in the United States, CC&V's Cresson mine is a low-cost, open-pit mining operation which treats the ore mined by means of a heap-leach pad, which is one of the largest in the world. Production began in 1994.

CC&V is a joint venture in which two the Company entities now collectively own 100 percent after the successful acquisition, effective 1 July 2008, of GCGC, which previously held a 33 percent interest in CC&V. On 14 January 2008, the Company announced the execution of an agreement to acquire 100 percent of GCGC, thus consolidating 100 percent ownership of CC&V. The closing of that transaction was completed with effect 1 July 2008, after approval by GCGC's shareholders, the satisfaction of certain closing conditions, and the receipt of all necessary regulatory approvals.

Geology: The district of Cripple Creek is centred on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometres and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently facilitated the formation of the volcanic complex. The majority of the complex then infilled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of intrusive dykes and sills that include syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations. District structures are generally near vertical and strike north-northwest to northeast. These structures acted as primary conduits for the late-stage gold mineralising solutions. Higher grade pods of mineralisation occur at structural intersections and/or as sheeted veins along zones of strike deflection. High-grade gold mineralisation is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralisation occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 metres and is also developed along major structural zones to even greater depths. Individual ore bodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralisation can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Safety: The LTIFR for 2008 was 4.83 per million hours worked (2007: 2.53) and there were no fatalities during the year.

Various safety programmes (e.g. DuPont Safety Training ("STOP") programme in 2003, risk-based safety management system in 2005, and extension of the STOP programme, called Train the Trainers, in 2007) have been implemented to continue to enhance safety performance at Cripple Creek & Victor. A cultural assessment of the workforce by SAFEmap was initiated in 2008 with risk identification classes beginning in the latter part of 2008 and continuing into early 2009. The SAFEmap system will be adapted for use as the safety programme at Cripple Creek & Victor.

Operating review: In 2008, production at Cripple Creek & Victor fell 9 percent to 258,000 ounces from 282,000 ounces in 2007. A total of 24.4Mt were placed on the heap-leach pad. The decline in production was principally a result of the slow percolation in the gold-bearing leach in the leach pad as a result of the greater distance over which the gold-bearing-leach solution had to be transported from the higher stacked ore to the leach-pad liner. This decline was compounded by a lack of alkalinity at depth that was identified from the 2008 pad drilling programme. This deficiency caused solubilised gold to precipitate at depth. An initiative to increase alkalinity by increasing caustic and lime addition over the pad began in the second half of 2008 and will continue into 2009. Given the size of the pad, recovery of precipitated gold is expected to continue for the next two years.

Overall, there was an increase in total cash costs of 15 percent to U.S.\$309 per ounce (2007: U.S.\$269 per ounce), mainly as a result of rising commodity costs, and of diesel fuel in particular. A decrease in costs due to lower contractor costs was diminished by increases in fuel costs as oil prices hit record levels on global markets.

Capital expenditure for the year amounted to U.S.\$27 million (2007: U.S.\$23 million).

Growth prospects: CC&V was successful in being granted the required permits from the State of Colorado and Teller County for a mine-life extension that includes the development of new sources of ore and an extension to the heap-leach facility. The approvals extend the operation of the expanded valley leach facility and the chemical closure activities.

Development drilling has further defined areas of interest for which engineering analysis and permitting requirements will be evaluated in a pre-feasibility study to be commissioned in 2009.

Cripple Creek & Victor – Summary of metallurgical operations

Gold plants	
Capacity (000 tonnes/month)	
- crushed ore production	1,739
- total ore production	1,796
- solution processed	2,371

Operating and production data for Cripple Creek & Victor operations

	2008 ⁽²⁾	2007	2006
Pay limit (oz/t)	0.01	0.01	0.01
Pay limit (g/t)	0.34	0.34	0.34
Recovered grade (oz/t)	0.014	0.016	0.016
Recovered grade (g/t)	0.49	0.53	0.54
Gold production (000 oz)	258	282	283
Total cash costs (U.S.\$/oz)	309	269	248
Total production costs (U.S.\$/oz)	413	372	356
Capital expenditure (U.S.\$ million)	27	23	13
Employees ⁽¹⁾	350	338	325
Outside contractors ⁽¹⁾	71	67	44

(1) Average for the year.

(2) Remaining 33 percent shareholding acquired effective 1 July 2008.

GLOBAL EXPLORATION

Total exploration expenditure in 2008 amounted to U.S.\$183 million. The main aim of both the greenfield and brownfield exploration programmes is to identify new attributable resource ounces of gold.

GREENFIELD EXPLORATION

Greenfield exploration activities were undertaken in six countries – Australia, China, Colombia, the Democratic Republic of Congo ("DRC"), the Philippines and Russia – during 2008. A total of 304,371 metres of diamond, reverse circulation, and aircore drilling was completed in testing existing priority targets and in the delineation of new targets in Australia, Colombia, Russia, the DRC and China (refer to figure below).

Greenfield activities in Russia, China and the Philippines were undertaken predominantly through joint ventures and strategic alliances. While the discovery of new long-life, low-cost mines remains the principal aim of the greenfield exploration programme, the Company is also committed to maximising shareholder value by divesting those exploration assets that do not meet its internal growth criteria and by opportunistically investing in prospective junior exploration companies.

During the year to 31 December 2008, a total of 13.26 million attributable ounces of Measured, Inferred and Indicated Mineral Resources were defined and announced by the Company's greenfield exploration teams at two prospects – Tropicana (Western Australia) and La Colosa (Colombia).

Country	Key Project	AngloGold Ashanti Equity (%)	Joint Venture Partner (%)	2008 Additional Resources (Moz of Au)	Grade (g/t Au)
Colombia	La Colosa	100	-	12.3*	1.00
Australia	Tropicana / Havana	70	Independence Group (30)	0.96*	2.07
TOTAL				13.26	

* At a gold price of U.S.\$1,000 per ounce.

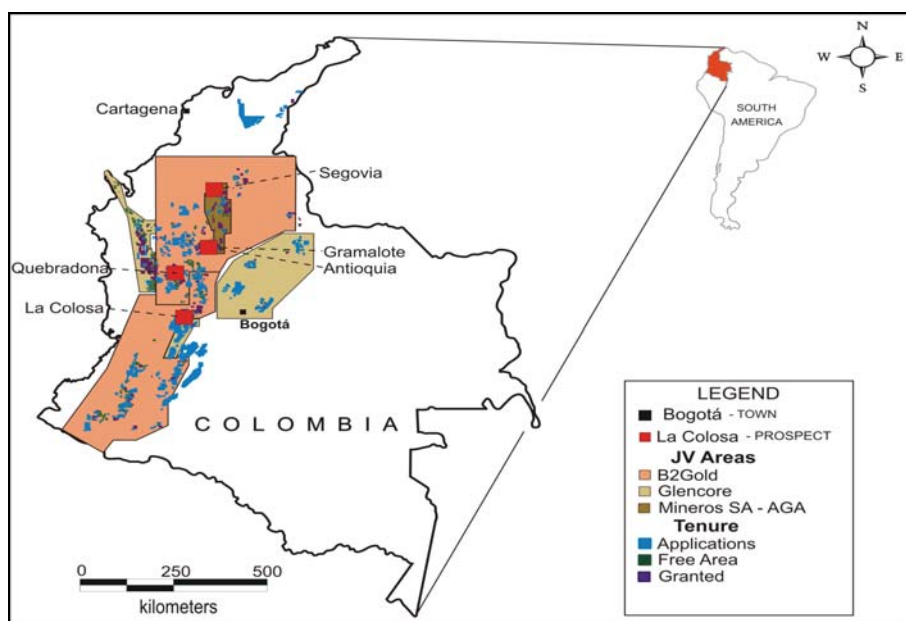
COUNTRY	Greenfields Exploration Expenditure 2008	Metres Drilled 2008 (000)
Australia	31%	215
China	8%	5
Colombia	36%	49
DRC	18%	9
Russia	7%	12
	100%	290

Exploration in the Philippines was less than 1 percent.

In the last three years the average discovery cost per ounce of greenfield exploration was U.S.\$10. At La Colosa, specifically in 2007 and 2008, the discovery cost per additional ounce of gold was U.S.\$1.

In 2009, exploration expenditure of some U.S.\$146 million is planned, with U.S.\$90 million of this budgeted to be spent on greenfield exploration with the remaining U.S.\$56 million allocated to a pre-feasibility study at La Colosa in Colombia.

Colombia



Drilling and resource modelling at La Colosa has rapidly defined a gold porphyry system with a grade of more than 0.3 g/t Au extending over a strike length in excess of 1,500 metres and a width of 600 metres, which has defined an Inferred Mineral Resource of 381.4Mt @ 1.00g/t Au for 12.3 million ounces of gold at a gold price of U.S.\$1,000 per ounce and a lower cut-off of 0.3g/t Au.

Cut-off grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (kg Au)	Au (Moz)
0.3	381.4	1.00	383,116	12.3
0.4	363.8	1.04	377,225	12.1
0.5	343.5	1.07	368,040	11.8

Based on present drilling and geochemical observations, the La Colosa mineralisation systems, including the La Belgica sector, remain open to the north, south and east. Various additional targets immediately surround the known La Colosa mineralisation. This is the first significant gold porphyry discovery in the Colombian Andes, where the Company has first mover advantage with granted and application tenements covering an area of some 61,700 square kilometres, with significant potential to increase the Mineral Resource at La Colosa and at other projects.

The La Colosa drill programme was suspended in late February 2008 in order to comply with unexpected environmental requirements. All of the necessary documentation has been submitted to the relevant authorities for approval.

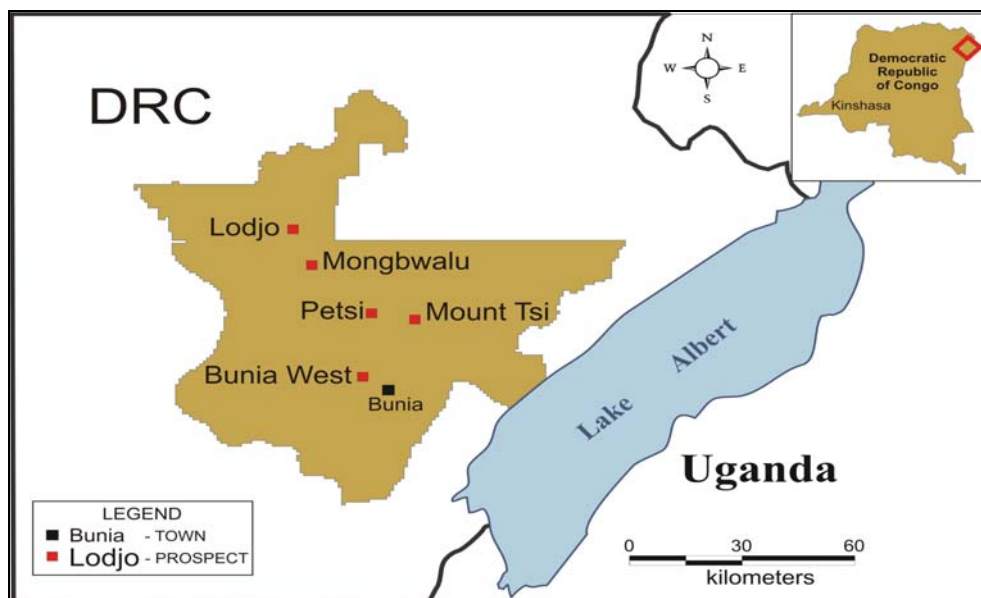
The Company and its partners actively explored for precious and base metal deposits. In all, 294 targets were generated by systematic exploration in an area covering 4.2 million hectares, on 408 mineral tenement contracts, joint venture partner B2Gold Corp. continued resource delineation drilling at Gramalote, first phase drilling at Quebradona and continued reconnaissance and drill target definition work in three departments in Colombia. Mineros S.A. drilled one target in Antioquia and conducted reconnaissance and drill target definition work at two other targets within the Segovia joint venture in the Antioquia department. Significant results were released from the Quebradona gold-copper porphyry project that is likely to increase the Mineral Resource at this project.

On receipt of all assay and geological data for the AngloGold Ashanti/B2Gold JV Quebradona drilling programme, the Company has a period of 30 days in which to decide on its level of future participation

in the project (49 percent, 51 percent or 65 percent interest). Glencore International remained focused on early stage exploration and conducted airborne geophysical surveys within joint venture areas.

The Company activities during the year also included flying in-house airborne magnetometry and radiometric surveys for a total of 11,463 line kilometres.

Democratic Republic of Congo



Exploration activities undertaken on the 10,000 square kilometre Concession 40 (the Company 86.22 percent and OKIMO 13.78 percent) mineral claim that encompasses most of the Kilo greenstone belt and which remains largely unexplored by modern methods, included both regional work and additional drilling at and around the Mongbwalu resource. Around Mongbwalu, detailed surface mapping and data integration are enhancing understanding of the immediate area's potential. At the Issuru prospect, located approximately 4 kilometres north of Mongbwalu, drilling defined potential economic mineralisation over a strike length of approximately 800 metres and a width of up to 450 metres.

Regional exploration activities focused around four main areas including Lodjo, Bunia West, Mount Tsi and Petsi, all of which are all located within 50 kilometres of the Mongbwalu resource area. Field work concentrated on detailed mapping, soil sampling and trenching. Encouraging results were obtained from trench sampling at Lodjo. At the Petsi prospect, a 30 metres wide potentially gold mineralised shear zone has been identified by trenching over a distance of 1.8 kilometres. Results from infill soil sampling define an anomaly approximately 450 metres wide and 300 metres long. Regional aeromagnetic (5,550 square kilometres) and aerial EM surveys (1,224 square kilometres) were completed. Results of these surveys, combined with those from the regional geochemistry programmes, will provide the platform from which to fast-track regional exploration over the concession. The findings of the DRC Minerals Review Commission have resulted in the Company and the AGK joint venture engaging the DRC government to seek resolution and secure the rights to Concession 40. Exploration activities over the Concession 40 licence were suspended in November 2008 following the deteriorating security situation which led to the precautionary withdrawal of most non-essential staff from the concession.

Russia

The formation of Zoloto Taigi, the AngloGold Ashanti/Polymetal strategic alliance vehicle was completed. It is anticipated that this strategic alliance will enable the Company to increase its presence in Russia by pursuing new opportunities by participating in licence auctions, acquiring equity in prospective projects and by project generation in new or less intensely explored areas. Exploration work to increase and upgrade the resource economics at Veduga was undertaken. Trenching and

drilling at this advanced project have demonstrated strike continuation of mineralisation from the south-eastern ore zone for a further 500 metres along strike. At the recently acquired Penchenga property, regional soil geochemistry has begun. The Bogunay project (42 square kilometres) was sold while negotiations on the sale of Anenskoye (11.8 square kilometres) and Aprelkovskoye (161 square kilometres) continue.

Africa

During 2008, greenfield activities in Africa concentrated on project reviews and regional target generation work in west, central and east Africa. The intention is to increase the level of greenfield exploration in Africa over the next two years.

Philippines

Final approval of the Mapawa Mineral Production Sharing Agreement ("MPSA") is awaited from the Department of Environment and Natural Resources ("DENR") in Manila. Elsewhere in southeast Asia specific project reviews and project generation work continue.

China

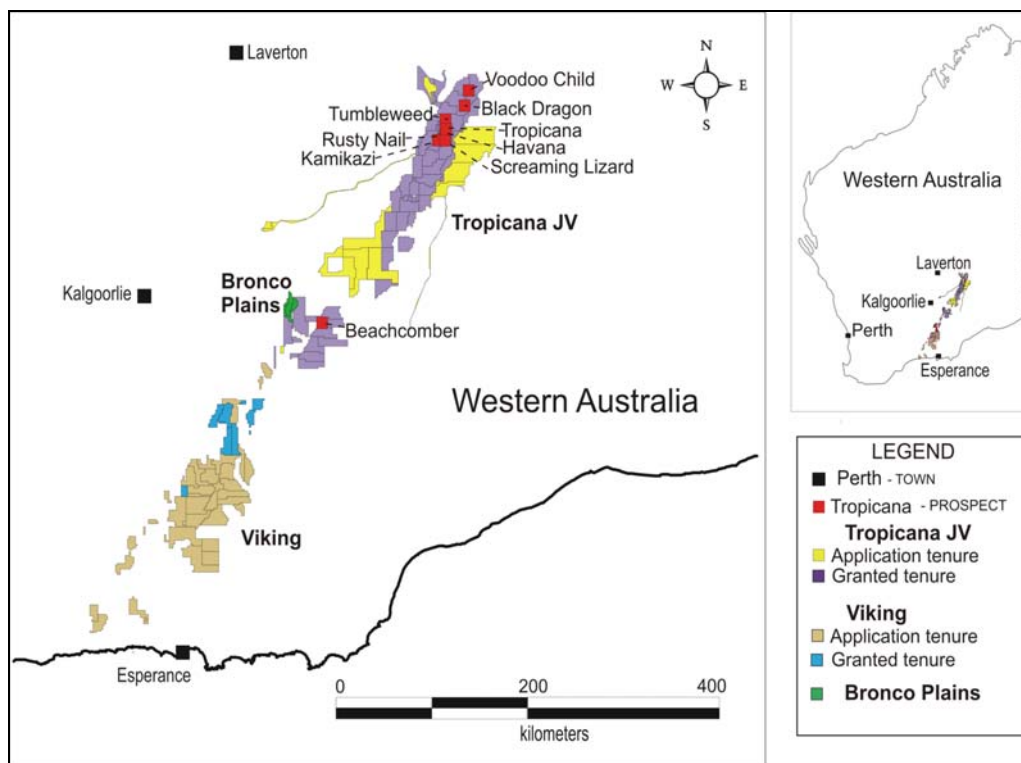
In China, the Company operates three co-operative joint ventures ("CJVs") with local partners at Yili-Yunlong (Xinjiang Province), Jinchanggou (Gansu Province) and Pingwu (Sichuan Province). During 2008, the Company withdrew from the Pingwu CJV at the time of the devastating Sichuan earthquake.

At the Jinchanggou CJV Project (Gansu Province), soil sampling on the eastern and western tenements indicated significant extensions to known mineralisation with anomalous gold-in-soils over more than a 16 kilometre strike length. Final approval for the Jinchanggou CJV was received from the Gansu government in late June 2008. A subsequent programme of diamond drilling and trenching designed to test the 16 kilometre long gold-in-soil anomaly was completed at the Jinchanggou project in December. Despite intersecting significant intervals of intense alteration and shearing in drilling, analytical results were disappointing.

Results from the diamond drilling programme completed in 2007 to test a conceptual porphyry target on the tenements held by the Yili-Yunlong CJV (Xinjiang Province) returned low gold and copper results. Results of follow-up work on other targets defined by soil sampling and geological mapping, and the investigation of geochemical anomalies coincident with silica-clay alteration, has led to the prospectivity of the area being downgraded.

An intense phase of project generation undertaken in China in 2008 resulted in tenement applications being lodged in three provinces of China: Xinjiang, Inner Mongolia and Heilongjiang.

Australia



In mid-2008, exploration at the Tropicana joint venture (the Company 70 percent, Independence Group 30 percent) moved from a focus on resource drilling of the Tropicana-Havana deposit within the Tropicana Gold Project, to initial testing of targets within potential trucking distance of the planned operation. A large number of discrete targets have been identified within a 50-60 kilometre radius of the proposed plant site (see map).

Field mapping and rock chip sampling at the Black Dragon and Voodoo Child prospects identified outcropping gold mineralisation. Analysis of rock chip sampling from Black Dragon returned high-grade gold and silver results. Subsequent reverse circulation drilling has not explained these surface results. A large geochemical gold anomaly (3 kilometres by 1 kilometre) has been defined at the Kamikaze prospect with encouraging results at the Tumbleweed prospect situated to the north of the resource area. Reverse circulation drilling returned significant results from several other prospects including Rusty Nail and Screaming Lizard.

Initial diamond drilling at Beachcomber, approximately 200 kilometres to the south and within the Tropicana joint venture area, intersected quartz veining with visible gold.

In addition to the Tropicana joint venture area, which totals approximately 12,500 square kilometres, the Company holds 100 percent of a substantial land package (approximately 6,764 square kilometres) in the Viking area. Most of the tenements in the Viking project are recent applications, with some tenements having been granted in late 2008. Field activities will begin in 2009.

The recently acquired Bronco Plains joint venture (the Company earning 50.4 percent) hosts an approximately 10 kilometre long gold-in-soil anomaly peaking at 86 ppb gold. In terms of the joint venture agreement with Image Resources, the Company and Independence Group can earn a combined 72 percent interest in the project by spending U.S.\$2 million.

The Tropicana joint venture, Bronco Plains joint venture and the Viking project cover a total distance of 600 kilometres along the margin of the Yilgarn Craton. The 5 million ounce Tropicana discovery,

numerous prospects identified by the Company and promising results reported by other explorers give credence to the Tropicana belt being a strike-extensive new gold province.

BROWNFIELDS EXPLORATION

Brownfields exploration, aimed at identifying replacement ounces for production, was undertaken around the globe at most current operations, with the most success being in South Africa, Australia, Ghana and Guinea.

The Brownfields exploration programme for 2008 was aimed at replacing ounces at current operations and successfully added a total of 27.5 million ounces to the Company's Mineral Resource.

Argentina

At Cerro Vanguardia, reconnaissance drilling continued with 45 kilometres of veins being explored via 454 reverse circulation (RC) holes. This drilling identified 17 veins for infill drilling in 2009. Infill drilling (8,075 metres RC and 11,457.5 metres diamond drilling) extended some of the current ore shoots and added 0.28 million ounces of gold and 7.9 million ounces of silver to the Mineral Resource.

During the year, a hyperspectral survey was completed over the lease area. A new area, El Volcán, was permitted in 2008 and initial exploration activities have commenced. Deep level drilling (+300 metres) to explore the depths of current veins for underground potential began during the year. Initial results are encouraging.

Australia

At Sunrise Dam, exploration focused on increasing the underground gold Mineral Resource to enable increased production in 2009 and 2010 while defining long-term zones of gold mineralisation up to 1.25 kilometres vertically below the mine. Additionally, short-term opportunities for satellite open pits within the immediate mine area were also investigated. During the period, 41,417 metres of diamond core was drilled from 297 drill holes with 8,873.1 metres drilled into the deep targets.

At Boddington Gold Mine, a maximum of five diamond drill rigs were employed during the year to complete a total of 101,700 metres of drilling in 141 holes targeting in-pit Mineral Resource conversion and near-pit Mineral Resource extensions. By the end of 2008, attributable Ore Reserves were increased by 1.1 million ounces to 6.7 million ounces and Mineral Resources increased by 1.6 million ounces to 11.9 million ounces of contained gold. Subsequent to year-end, the Company disposed of its interest in Boddington to Newmont.

Brazil

At Córrego do Sítio, drilling of underground deposits continued. A total of 37,865 metres were drilled from surface and 10,142 metres from underground during 2008. Furthermore, 3,482 metres of underground development, of which 1,107 metres were on reef, was completed. Drilling concentrated on the Carvoaria, Laranjeiras and the Cachorro Bravo ore bodies. Minor drilling (2,491 metres) was completed on surface oxide deposits. At Lamego, a total of 22,782 metres were drilled from surface and 17,632 metres from underground. Furthermore, a total of 4,063 metres of underground development, of which 1,428 metres were on reef, was completed. The drilling consisted of a combination of intermediate depth surface drilling targeted at the extensions of the Cabeça de Pedra and Arco da Velha ore bodies, underground extension drilling of Queimada and surface and underground infill drilling at Carruagem.

On 15 December 2008, the purchase of the São Bento mine was completed. This area will be the focus of significant exploration in 2009.

At Serra Grande, the main targets for 2008 were Pequizão and Palmeiras. A total of 37,000 metres of diamond drilling was completed.

Ghana

At Obuasi, drilling for the Deeps project below 50 Level continued with the areas below KMS and Adansi Shafts being targeted from 50 level. Active exploration continued above 50 Level.

At Iduapriem, drilling for the year consisted of Mineral Resource conversion drilling at Ajopa with a combination of RC (10,765 metres and diamond drilling 3,127 metres). The programme was completed in December and sampling and logging of the diamond core is currently being completed.

Guinea

At Siguiri, early stage exploration in the form of gridded geochemical sampling was conducted in Block 1 (Eureka North – Kantinian corridor and Sintroko South), Block 2 (Manguity and Saraya South), the Naboun Block (28 kilometres north of the mine) and the Corridor Block (11 kilometres from the mine). Reconnaissance air core drilling was undertaken at Satiguia, Manguity (35 kilometres west of the mine), Kouremale (Block 4) and Kolita-Koukoun (Block 3). Mineral Resource Delineation drilling was conducted at Saraya (55 kilometres west of the mine). Mineral Resource conversion drilling was completed at Sintroko South (8 kilometres south of the mine) and added 0.7 million ounces to the Mineral Resource and allowed for the conversion of 0.7 million ounces to Ore Reserves. Infill drilling was completed on the margins of the Séguélen (Kintinian) project.

A major review of the geology of Block 1 conducted during the year indicated significant upside to the mineralisation. A project has been launched to remodel the Mineral Resource while at the same time drilling out areas of postulated strike and dip extensions to mineralisation. Initial drilling of hard rock mineralisation below the current pits has provided positive results and this drilling will continue in 2009.

Mali

At Morila, only minor field work was conducted during the year with some pitting and trenching. However, a significant amount of core logging and pit mapping was completed. This led to a revised geological model, including lithological overview, tectonic setting and magmatism, being developed during the year. A revised exploration programme proposal is now under consideration.

At Sadiola, exploration work in 2008 concentrated on testing targets defined in the 2007 exploration workshop. A total of seven targets were tested (15,978 metres air core and 5,164 metres of diamond drilling).

Phase 9 of deep sulphide drilling was carried out to the north of the main pit to test the continuity of the mineralisation intersected by previous drilling to the south. A total of 11 diamond holes were drilled (4,420 metres). This was followed by the Phase 10 drilling programme which was undertaken to collect samples for metallurgical test work. This drilling programme comprised seven long holes and 12 wedges drilled from outside the main pit, and seven short holes inside of the pit (6,118 metres).

Sulphide reconnaissance drilling (2,125 metres) was done at the FE4 pit. The programme was initiated to collect geological and structural information as well as to test for the possibility of sulphide mineralisation.

Mineral Resource delineation drilling was conducted at Lakanfla East (5,650 metres) and Sekokoto SE (1,562 metres). Mineral Resource conversion drilling was concentrated at Sekokoto Main (6,515 metres) and FE3S – Gap Area (6,368 metres).

A geophysical survey ground penetration radar test ("GPR") was done between FE3 and FE4 to test the efficacy of this method in predicting the thickness of the laterite cover.

At Yatela, a number of boreholes were drilled to test the continuity of the north-west extension mineralisation at depth (1,107 metres). Reconnaissance drilling (4,632 metres) at Donguera indicated some thin mineralised zones. At Dinguilou, a small Mineral Resource conversion programme was completed (3,674 metres) and the Mineral Resource definition programme was completed at year-end. Two small areas of Alamoutala were infill drilled (3,978 metres) after optimisation of the pit showed

upside potential. An infill programme was completed at Niamoulama Hill late in December and results are still outstanding. A programme to explore gravity lows in the vicinity of Yatela was started and two holes (218 metres) were completed by year-end.

Namibia

At Navachab, geochemical soil sampling was conducted over the footwall of the Mon Repos Thrust zone (200 samples), the Zebra target (1,762 samples) and the Ostrich and Giraffe targets. Stream sediment sampling was completed over the Okondura licence area with disappointing results. Some initial drilling was completed at the Steenbok and Starling targets. Mineral Resource conversion drilling (15,426 metres) was completed in two phases at Anomaly 16, and at Gecko 11,868 metres was drilled. Additional Mineral Resource conversion drilling (29,376 metres) was completed around the Main Pit and North Pit 2. A Spectrum electromagnetic survey was flown in November 2008.

South Africa

Surface drilling continued in the Project Zaaiplaats area, where the target is the Vaal Reef.

A long deflection to the east is in progress in MZA9. The deflection reached a depth of some 2,941 metres when technical issues stopped the advance of the hole. The drilling contractors are trying to reopen the hole.

MMB5 is drilling in the northwest of the main Zaaiplaats block. Due to in hole problems a new deflection was started at 1,702 metres. By the end of the year, the long deflection had reached a depth of 3,172.55 metres. The Vaal Reef was not intersected as expected, due to faulting. Further deflections will be drilled in 2009.

A new hole, MGR8, was started during the year and continued with record excellent advances. By the end of the year the hole had advanced to a depth of nearly 1,596 metres.

Two surface boreholes in the Moab North area continued drilling into 2008. The targets were proposed Vaal Reef blocks in a poorly defined, structurally complex area, north of the 'Middle Mine' area. MCY5 reached a depth of 3,129.49 metres. The Vaal Reef was not intersected, but the geological information from the hole was used to define a revised and more complex structural model.

Borehole MCY4 obtained a faulted C Reef intersection at some 2,823 metres. By year-end, the long deflection in MCY4 had reached a depth of almost 3,003 metres.

Borehole G55 at Tau Lekoa was drilled to follow up on G54. The hole was stopped at 1,513 metres, having intersected a large fault at 1,384 metres.

Tanzania

At Geita, exploration activities focused on data compilation and re-interpretation, and target generation. This work was supplemented by two major geophysical airborne surveys: a high-resolution AeroTEM survey and a high-resolution airborne magnetic survey. A major exploration workshop was held on site and involved technical specialists from greenfields exploration. The outcome of this workshop was a revision to the 2009 programme.

During the year, reconnaissance drilling was completed at Nyakabale West where six diamond holes were drilled (1,555 metres). At Matandani, 45 air core holes (4,080 metres) were drilled to investigate the possibility of the Matandani mineralisation being developed further to the northwest. A total of 27 reverse circulation holes (2,498 metres) were drilled on the Nyankumbu licence area. A small follow-up programme was drilled (4,015 metres) at Star and Comet after sterilisation drilling showed an anomalous intercept. No continuity of mineralisation could be determined.

United States

At Cripple Creek & Victor in Colorado, drilling continued during the year and concentrated on the Main Cresson area, North Cresson, Schist Island, Wild Horse, Squaw Gulch and an area near the old Victor Pads. Exploration drilled a total of 85,923 metres in 416 holes.

A high-grade study which included close-spaced drilling on several targets and a selective mining test of one of the zones was started. The results were encouraging as drilling on tighter centres raised the average grade of two out of three targets and the selective mining test showed the high-grade zones could successfully be predicted, modelled, and mined.

MINERAL RESOURCES AND ORE RESERVES

Ore Reserves and Mineral Resources are reported in accordance with the minimum standards described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (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 (SAMREC 2000 Code). Mineral Resources are inclusive of the Ore ReserveS component unless otherwise stated.

Mineral Resources

The 2008 Mineral Resource increased by 40.5 million ounces before the subtraction of depletion. After a depletion of 7.2 million ounces, the net increase is 33.4 million ounces to give a total Mineral Resource of 241.0 million ounces. Mineral Resources were estimated at a gold price of \$1,000 per ounce (2007: \$700 per ounce). The increased gold price resulted in 13.3 million ounces being added to the Mineral Resource while successful exploration and revised modelling resulted in a further increase of 27.5 million ounces. The remaining loss of 0.3 million ounces is the result of various other reasons.

Mineral Resource		Million oz
Mineral Resources as at 31 December 2007		207.6
Reductions		
TauTona	Transfers to Mponeng	(1.9)
Great Noligwa	Transfer of SV4 to Moab Khotsong	(1.2)
Tau Lekoa	Significant structure and facies changes to the north of Tau Lekoa	(1.2)
Other	Total of non-significant changes	(1.4)
Additions		
La Colosa	Successful greenfields exploration	12.3
Mponeng	Granting of WUDL's licence and transfers from TauTona	7.9
Moab Khotsong	Transfer of SV4 to Moab Khotsong	4.4
Obuasi	Exploration below 50 Level	3.9
Savuka	Improved economic outlook as a result of an increase in the gold price	1.8
Boddington	Growth in Mineral Resources: successful near-mine exploration drilling and higher gold price	1.6
Iduapriem	Due to increase in Mineral Resource gold price and remodelling of Block 7 & 8	1.4
Cripple Creek & Victor	Successful exploration	1.2
Sadiola	Due to increase in Mineral Resource gold price, increase in the deep sulphides project	1.2
Siguirí	Due to increase in Mineral Resource gold price and increases in the Mineral Resource at Sintroko and Foulata	1.0
Other	Total of non-significant changes	2.4
Mineral Resources as at 31 December 2008		241.0

ORE RESERVES

The 2008 Ore Reserve increased by 7.7 million ounces before the subtraction of depletion. After a depletion of 5.9 million ounces, the net increase is 1.8 million ounces to give a total Ore Reserves of 74.9 million ounces.

A gold price of \$720 per ounce was used for Ore Reserve estimates (2007: \$600 per ounce). The change in economic assumptions made from 2007 to 2008 resulted in the Ore Reserve increasing by 2.7 million ounces while exploration and modelling resulted in an additional increase of 5.0 million ounces.

Ore Reserves		Million oz
Ore Reserves as at 31 December 2007		73.1
Reductions		
TauTona	Carbon Leader ground between 123-126 levels was transferred to Mponeng. With the change to scattered grid mining, lower value estimates resulting from increased sampling and drilling resulted in reductions. These were partially offset by a higher mine call factor and the inclusion of the Carbon Leader eastern block.	(1.5)
Geita	Mineral Resource model changes and the application of grade factors to mitigate low model confidence; cost increases.	(1.4)
Great Noligwa	Transfer of the SV4 section to Moab Khotsong.	(1.3)
Other	Total of non-significant changes.	(1.1)
Additions		
Mponeng	Increased grades, the additional ground from TauTona 123-126 level and improved economics which allowed for the mining of Blocks 3 & 5.	2.8
Obuasi	The increase is due to a revised mine design and schedule.	1.3
Boddington	The growth in Ore Reserve is due to successful drilling and a higher gold price.	1.1
Siguiri	The Seguelen NW and Sintroko deposits were upgraded from Inferred to Indicated Mineral Resource and the mining efficiency increased.	0.6
Other	Total of non-significant changes.	1.3
Ore Reserves as at 31 December 2008		74.9

BY-PRODUCTS

Several by-products are recovered as a result of the processing of gold Ore Reserves.

These include 0.19 million tonnes of uranium from the South African operations, 0.29 million tonnes of copper from Australia, 0.44 million tonnes of sulphur from Brazil and 35.7 million ounces of silver from Argentina.

EXTERNAL AUDIT OF MINERAL RESOURCE AND ORE RESERVE STATEMENT

During the course of the year and as part of the rolling audit programme, the Company's 2008 Mineral Resources and Ore Reserves for the following operations were submitted for external audit:

2008 Mineral/ Ore Reserve	External Audit Company
Mponeng	AMC Consultants Pty Ltd, Brisbane
Tau Tona	AMC Consultants Pty Ltd, Brisbane
Vaal River Surface	AMC Consultants Pty Ltd, Brisbane
Navachab	Optiro Pty Limited, Perth
Iduapriem	Optiro Pty Limited, Perth

2008 Mineral/ Ore Reserve

Sadiola

Yatela

External Audit Company

AMC Consultants Pty Ltd, Brisbane

AMC Consultants Pty Ltd, Brisbane

The Company has been informed that the audits identified no material shortcomings in the process by which the Company's Ore Reserves and Mineral Resources were evaluated. It is the Company's intention to continue this process so that each of its operations will be audited every three years on average.

MINERAL RESOURCES BY COUNTRY (ATTRIBUTABLE)

As at 31 December 2008	Resource category	Tonnes million	Grade (g/t)	Contained gold tonnes	Contained gold million oz
South Africa	Measured	25.56	13.80	352.57	11.34
	Indicated	739.87	3.27	2,416.79	77.70
	Inferred	56.35	10.47	590.06	18.97
	Total	821.77	4.09	3,359.42	108.01
Argentina	Measured	11.01	1.73	19.04	0.61
	Indicated	22.00	3.48	76.49	2.46
	Inferred	4.97	4.11	20.45	0.66
	Total	37.99	3.05	115.98	3.73
Australia	Measured	101.25	1.19	120.77	3.88
	Indicated	404.49	0.84	340.15	10.94
	Inferred	154.79	0.89	138.43	4.45
	Total	660.53	0.91	599.35	19.27
Brazil	Measured	11.11	7.01	77.80	2.50
	Indicated	13.46	6.49	87.36	2.81
	Inferred	28.51	6.76	192.59	6.19
	Total	53.07	6.74	357.75	11.50
Colombia	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	409.77	1.01	415.45	13.36
	Total	407.77	1.01	415.45	13.36
Democratic Republic of Congo	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	29.25	2.69	78.53	2.52
	Total	29.25	2.69	78.53	2.52
Ghana	Measured	94.21	5.21	490.68	15.78
	Indicated	138.91	2.86	397.31	12.77
	Inferred	100.10	4.25	425.27	13.67
	Total	333.23	3.94	1,131.26	42.22
Guinea	Measured	33.53	0.63	21.25	0.68
	Indicated	125.22	0.84	105.53	3.39
	Inferred	64.08	0.90	57.85	1.86
	Total	222.82	0.83	184.63	5.94
Mali	Measured	19.40	1.64	31.86	1.02
	Indicated	26.39	2.48	65.32	2.10
	Inferred	11.10	2.30	25.49	0.82
	Total	56.89	2.16	122.68	3.94
Namibia	Measured	13.83	0.74	10.25	0.33
	Indicated	61.94	1.26	78.05	2.51
	Inferred	42.31	1.09	46.25	1.49
	Total	118.08	1.14	134.55	4.33
Tanzania	Measured	–	–	–	–
	Indicated	83.84	3.63	304.10	9.78
	Inferred	25.12	3.81	95.77	3.08
	Total	108.97	3.67	399.87	12.86
United States	Measured	255.90	0.87	223.31	7.18
	Indicated	183.75	0.73	134.97	4.34
	Inferred	83.61	0.66	55.60	1.79
	Total	523.26	0.79	413.88	13.31
Total	Measured	565.80	2.38	1,347.53	43.32
	Indicated	1,799.87	2.23	4,006.08	128.80
	Inferred	1,009.96	2.12	2,141.75	68.86
	Total	3,375.63	2.22	7,495.36	240.98

ORE RESERVES BY COUNTRY (ATTRIBUTABLE)

As at 31 December 2008	Category	Tonnes million	Grade (g/t)	Contained gold tonnes	Contained gold million oz
South Africa	Proved	13.72	7.81	107.13	3.44
	Probable	215.10	4.37	939.79	30.21
	Total	228.82	4.58	1,046.92	33.66
Argentina	Proved	9.99	1.39	13.90	0.45
	Probable	12.29	3.52	43.24	1.39
	Total	22.27	2.56	57.13	1.84
Australia	Proved	67.82	1.10	74.54	2.40
	Probable	214.50	0.90	192.57	6.19
	Total	282.33	0.95	267.11	8.59
Brazil	Proved	7.77	6.44	50.06	1.61
	Probable	7.02	5.82	40.87	1.31
	Total	14.79	6.15	90.93	2.92
Ghana	Proved	56.85	4.24	240.89	7.74
	Probable	36.43	3.82	139.10	4.47
	Total	93.28	4.07	379.98	12.22
Guinea	Proved	56.13	0.56	31.48	1.01
	Probable	67.11	1.04	69.64	2.24
	Total	123.24	0.82	101.12	3.25
Mali	Proved	9.29	1.87	17.33	0.56
	Probable	6.65	2.26	15.02	0.48
	Total	15.94	2.03	32.35	1.04
Namibia	Proved	7.21	0.89	6.39	0.21
	Probable	27.58	1.28	35.19	1.13
	Total	34.78	1.20	41.58	1.34
Tanzania	Proved	–	–	–	–
	Probable	54.30	2.93	159.06	5.11
	Total	54.30	2.93	159.06	5.11
United States	Proved	122.57	0.93	104.60	3.36
	Probable	55.70	0.87	48.59	1.56
	Total	168.27	0.91	153.19	4.93
Total	Proved	341.35	1.89	646.31	20.78
	Probable	696.67	2.42	1,683.07	54.11
	Total	1,038.02	2.24	2,329.38	74.89

MINERAL RESOURCES BY COUNTRY (ATTRIBUTABLE) EXCLUSIVE OF ORE RESERVES

As at 31 December 2008	Resource category	Tonnes million	Grade (g/t)	Contained gold tonnes	Contained gold million oz
South Africa	Measured	14.62	14.08	205.80	6.62
	Indicated	556.66	2.70	1,504.17	48.36
	Inferred	56.35	10.47	590.06	18.97
	Total	627.63	3.66	2,300.04	73.95
Argentina	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	–	–	–	–
	Total	–	–	–	–
Australia	Measured	34.85	1.38	48.22	1.55
	Indicated	189.99	0.78	147.58	4.74
	Inferred	154.79	0.89	138.43	4.45
	Total	379.63	0.88	334.22	10.75
Brazil	Measured	3.20	6.63	21.20	0.68
	Indicated	6.63	6.29	41.74	1.34
	Inferred	27.49	6.81	187.13	6.02
	Total	37.32	6.70	250.06	8.04
Colombia	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	409.77	1.01	415.45	13.36
	Total	409.77	1.01	415.45	13.36
Democratic Republic of Congo	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	29.25	2.69	78.53	2.52
	Total	29.25	2.69	78.53	2.52
Ghana	Measured	33.32	6.42	241.08	6.88
	Indicated	73.90	2.48	183.06	5.89
	Inferred	56.46	3.75	211.95	6.81
	Total	163.69	3.72	609.09	19.58
Guinea	Measured	5.57	0.70	3.91	0.13
	Indicated	37.13	0.79	29.51	0.95
	Inferred	64.36	0.91	58.49	1.88
	Total	107.06	0.86	91.91	2.95
Mali	Measured	4.34	0.81	3.50	0.11
	Indicated	21.42	2.37	50.75	1.63
	Inferred	11.10	2.30	25.49	0.82
	Total	36.87	2.16	79.74	2.56
Namibia	Measured	6.63	0.56	3.71	0.12
	Indicated	34.36	1.18	40.61	1.31
	Inferred	42.31	1.09	46.25	1.49
	Total	83.30	1.09	90.58	2.91
Tanzania	Measured	–	–	–	–
	Indicated	35.95	3.32	119.38	3.84
	Inferred	25.12	3.81	95.77	3.08
	Total	61.07	3.52	215.15	6.92

As at 31 December 2008	Resource category	Tonnes million	Grade (g/t)	Contained gold tonnes	Contained gold million oz
United States	Measured	143.33	0.83	118.71	3.82
	Indicated	128.04	0.67	86.38	2.78
	Inferred	83.61	0.66	55.60	1.79
	Total	354.99	0.73	260.69	8.38
Total	Measured	245.87	2.52	619.12	19.91
	Indicated	1,084.10	2.03	2,203.18	70.83
	Inferred	960.61	1.98	1,903.16	61.19
	Total	2,290.58	2.06	4,725.46	151.93

Research and Development

The Company has developed research and development (R&D) programmes which focus on technical initiatives to reduce risk and improve efficiency in the key areas of safety, environment, geology, mining, metallurgical processing and engineering.

Research and development expenditure amounted to U.S.\$1 million, U.S.\$10 million and U.S.\$4 million during 2008, 2007 and 2006, respectively.

Most of this work is conducted in collaboration with appropriate third parties such as research organisations, universities, other mining companies, mining service providers, equipment suppliers and contractors. The Company also encourages and supports in-house research projects to address issues at specific operations.

The Company's wholly-owned subsidiary, ISS International ("ISSI"), is a global company specialising in seismic monitoring of mines and engineering structures. ISSI, in conjunction with the Company, initiates and undertakes seismological research. This seismological research and development programme is focused on addressing the shortcomings that frustrate progress in the areas of science, technology and the transfer of knowledge and experience to the relevant people. Five main areas are addressed: emergency response to rock bursts, prevention of rock bursts, intermediate- and short-term hazard assessment, alerts and back analyses. Several of the research and development projects are done in combination with a newly established the Company Rock Engineering applied research unit. The main objective of this research and development is to enhance the safety of those working in mining operations. R&D successes include improvements in quick location methodology and location accuracy, and progress has been made in both elastic and inelastic numerical modelling and seismic data integration, and in-stope wireless communication. Significant progress has also been made in capacity building among junior research personnel.

Cyanide management remains a key issue for the Company which is a signatory of the International Cyanide Management Institute ("ICMI") and the Company is fully committed to achieving compliance with the International Cyanide Management Code. The Company continues to participate in the Industry Advisory Group (a subcommittee of the ICMI) and communicates on cyanide-related issues with the ICMI on an ongoing basis. All processing operations are either fully accredited or in preparation for accreditation audits during 2009 or 2010.

The Company continues to support the catalysis initiative within the AuTEK programme which is aimed at finding new industrial uses for gold. AuTEK is managed by Mintek, a South African research and development centre which also receives government funding. Fellow gold miners Gold Fields and Harmony are co-sponsors of AuTEK with support specifically for nanotechnology and bio-medical applications, respectively. The catalysis initiative has until now focused on developing catalysts for carbon monoxide oxidation for use in fuel cells and in photocatalysis. A pilot plant for the production of gold catalysts has been constructed and commissioned. The current focus is to develop business

relationships with catalyst marketing companies and potential end users. Promising applications include gas masks, mine refuge bays, gas scrubbing for underwater welding, catalytic converters for diesel engines and the catalysis of a variety of industrial chemical reactions.

Safety, health and environmental initiatives include:

- Cyanide code implementation;
- Fall-of-ground management initiatives including:
 - Risk-based mine planning using conditional simulation techniques;
 - Improving short-term seismic hazard assessment by means of an enhanced numerical modelling capability; and
 - Improving tunnel support systems in deep, seismically active mines using a destructive proof-testing approach;
- SPAR – Separate People And Risk (a South African division initiative to remove people from high-risk workplaces and to develop less people-intensive mining methods);
- Implementation of integrated malaria control programmes at high prevalence sites;
- Participation in research initiatives towards an effective tuberculosis control programme in collaboration with the University of Stellenbosch and involvement in the Thibela TB project being run by the CREATE – Consortium to Respond Effectively to the AIDS and TB Epidemic – consortium;
- Studies into the impact of employee health and wellness on health and safety performance in collaboration with the University of the North West;
- Initiation of a Company-wide review of closure management funding and activities which will be completed during 2009; and
- Various initiatives to reduce silica dust exposure in stopes including automated in-stope water-blasting and deployment of fogging systems.

Geological initiatives include:

- Amira project P843 researching the geometallurgical characterisation of ore bodies;
- Testing large-scale spectral core scanning as a geometallurgical tool;
- Production of metallurgical ore body domains based on geometallurgical characterisation and mine modelling;
- Investigations into alternative devices for underground sampling;
- Amira project to understand hydrothermal chemical characteristics of ores and the potential implications for processing and recovery;
- Integration of software used for geological mapping and modelling;
- Evaluation of the use of hand-held X-Ray Fluorescence instruments for in-situ analysis of metal content;
- Project to apply Sirovision 3D mapping technology to deep-level South African gold mines;
- Initial research into the use of real-time blast monitoring; and

- Advanced geostatistical research into multivariate estimation and advanced optimisation and scheduling.

Mining initiatives include:

- Investigation into uranium scanning technology to "infer" gold grade in samples; and
- Development, in conjunction with Sandvik, of a mini self-climbing box-hole borer, which will remove people from the development of 30 metres of box holes, has been completed and is ready to begin its first hole.

Processing initiatives include:

- Research into the possible replacement of cyanide with thiosulphate for the leaching of gold in order to reduce environmental and health impacts associated with the use of cyanide;
- Converting to resin-based uranium extraction which has significantly reduced power requirements;
- The Amira P9 comminution and flotation project which is aimed at improving the efficiency of these processes with the development of sophisticated process control and simulation methods;
- Amira P420 gold processing project focused on improving gold recovery from refractory (difficult to process) ores; and
- Heap-leach solution flow modelling to improve the accuracy of gold production forecasting at Cripple Creek & Victor.

Engineering initiatives include:

- A range of initiatives to reduce electricity requirements in South Africa including:
 - Replacement of compressed air drills with more efficient electric drills in conjunction with Hilti; and
 - Introduction of the three-pipe chamber system for pumping water out from underground;
- The phasing in of "New Era" locomotives which offer improved efficiency as well as better control systems, more effective brakes, better ergonomics and safer control systems;
- Implementation of collision avoidance systems to reduce underground tramming accidents; and
- Introduction of glass reinforced plastic instead of stainless steel to improve corrosion resistance in the highly acidic uranium plant.

Competition

As gold mining is a mature and regulated industry, and very significant volumes of gold and gold derivatives trade in the world markets independent of gold mine supply, the Company does not consider that competition for sales plays any role in its operations as a gold producer. However, gold producers do compete against each other for acquisition exploration opportunities and human resources.

Leadership and Governance

The Company is committed to the highest standards of corporate governance, which is the responsibility of the board of directors as a whole, with some authority delegated to the Audit and Corporate Governance Committee of the board and the management Disclosures Committee. The board is guided by the Company's founding statements, the board charter, the Company's legal obligations in terms of the South African Companies Act of 1973 (as amended), the U.S. Sarbanes-Oxley Act of 2002, the

Company's legal and disclosure obligations to the JSE (where it holds its primary listing), as well as various corporate governance guidelines, such as the King Report on Corporate Governance 2002. A Code of Ethics for the chief executive officer, the chief financial officer and senior financial officers also guides conduct.

Various other legislative and governance standards guide the Company's legal and disclosure obligations. Management takes day-to-day responsibility for corporate governance and reports regularly to the board and various board committees. The board chairman plays an active role in the corporate governance issues faced by the Company, interacting regularly with executive directors, senior management and other interested parties, when necessary.

The Safety, Health and Sustainable Development Committee oversees the Company's performance regarding safety, health and the environment, and its social interaction with the communities in which it operates. This committee is also responsible for establishing targets in relation to each of these areas. Safety, health and environmental performance and relations with government, community members and other stakeholders, form an integral part of operational management. The Transformation and Human Resource Development Committee, formerly the Employment Equity and Development Committee, is responsible for overseeing the Company's performance regarding employment equity, transformation and staff development by taking into account the requirements of applicable legislation, relevant international labour conventions and the monitoring of targets set by the Company. The committee is also responsible for developing employee skills by seeking to retain and nurture talent, by providing employees with the opportunity to enhance their skills and knowledge.

Management Systems and Accountability

Operational restructuring has been undertaken across the Company over the past two years to align the Company's structure with the revised corporate strategy and the new executive team, so as to bring the Company's leadership closer to the operations. Key developments here include the appointment in late 2007 of three operational heads (one each for Australia, Africa and the Americas) and the separation of divisional responsibility in Africa (home to the majority of the Group's operations) into West Africa and Southern Africa divisions. The bases for these Africa divisions are Accra in Ghana and Potchefstroom in South Africa, reinforcing the notion of regional centres in close proximity to the operations to ensure prompt technical and administrative support. In early 2009, taking this approach a step further, the West African division was split into Ghana and Guinea/Mali management structures.

Given the Company's renewed vision and values and revised corporate strategy, a complete review of the Group's human resource management systems and structure, called the System for the Management of People ("SMP"), is being undertaken. Given the changing world of work, the current socio-economic climate and continued key skills shortages in the mining industry, this is considered a strategic imperative.

The Company as an Employer

The Company is a significant employer in many of the countries in which it operates. The majority of the Group's employees (including contractors) are in South Africa (58 percent), Ghana (15 percent), Tanzania (5 percent) and Brazil (9 percent). In 2008, the Company employed 62,895 people (calculated on a monthly average basis), comprising 48,580 (77 percent) permanent employees and 14,315 (23 percent) contractors – an increase year-on-year of 2.2 percent. In 2007, there were 61,522 employees – 47,383 (77 percent) permanent and 14,139 (23 percent) contractors. In 2008, the level of turnover among permanent employees within the Group was 8 percent.

Safety and occupational health

While the Group safety and health policy is applicable to all operations, each operation also has in place safety and health policies that have been developed to take into account country- and operation-specific regulations and requirements. Unions and employees are generally involved in the development of these policies and, in South Africa, this interaction has typically been formal and enshrined in recognition agreements.

The identification and mitigation of risk is a vital part of the Company's operations and an integral part of the safety and health management process. Matters relating to safety and health are included in the Group's risk management strategy. Risk assessments are conducted regularly at both group and operational levels and are related to specific events or issues.

It is with regret that the Company reports that 14 employees lost their lives during the course of work in 2008. There were 11 fatalities at the South African operations, two at the Obuasi mine in Ghana and one at Serra Grande in Brazil. The board and management of the Company extend their deepest sympathies to the families and colleagues of those who died. It is the Company's objective to eliminate accidents at work, especially fatal accidents, and much attention is being given to this. While this performance falls short of the Company's stated aim of eliminating all fatal incidents at work, there was a significant improvement on the Group's performance in 2007, when 34 people died at work. The FIFR, at 0.09 per million hours worked, was consequently 59 percent lower, compared with the 0.21 per million hours worked in 2007. Eleven of the 18 operating mining units did not experience a fatal incident (10 in 2007). The LTIFR improved by 11 percent to 7.32 injuries per million hours worked (2007: 8.24).

In 2008, the Company embarked on an occupational safety and health leadership transformation project to create a strategic 'blueprint' for occupational safety and health in the Company. The project team undertook site visits as well as in-depth management and employee interviews. Additionally, an extensive employee safety and health culture survey was conducted, the aim of which was to achieve a better understanding of the Group's current management cultures, structures and systems. An analysis of macro-environmental drivers, industry trends and best practice was also undertaken so as to develop future scenarios that might affect safety and health. All analyses and surveys have been completed and a report is being compiled and is expected to be considered by the Company's executive committee in late April or early May 2009.

Strategic initiatives to instil a culture of care were effective across the Group. These were supported by the empowering of employees to take responsibility for their own safety and health and that of their colleagues, and by recognising safety achievements.

The roll-out of the OHSAS 18001 safety and health management standard continued during the year, with the last two operations being recommended for certification by year-end. A protocol for safety and health systems and practice assessment that is consistent with OHSAS 18001 was developed and implemented at all operations during the year. All relevant role-players were familiarised with its requirements, and most of the preliminary assessments had been carried out by year-end.

Occupational health risks to employees vary significantly from region to region and by type of mining operation. The most significant occupational health risks at the Company are: occupational lung disease ("OLD"), which comprises silicosis and occupational tuberculosis ("TB") in underground operations that are host to quartz-bearing rock; noise-induced hearing loss ("NIHL"); heat stress; and radiation. Occupational health regulations require ongoing biological monitoring for lead, mercury and arsenic and other hazardous substances.

Respect for human rights

Respect for human rights is a key principle of the policies and practices that are integral to the Group's sustainability efforts, and are entrenched in the constitutions and legislation of many of the countries in which the Group operates. Oversight and implementation of these are largely the function of line managers.

The Group continues to support both the UN Global Compact and the Voluntary Principles on Security and Human Rights. During the year, a Vice President for Global Security, with a specific remit to ensure that all security operations and practices take due cognisance of human rights, was appointed.

Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched in the South African constitution and legislation, as well as in the laws and regulations in other countries in which the Company operates. Specifically, the Company seeks to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child

labour, and by implementing these practices through country, operation and shaft level recognition and collective bargaining agreements, and through disciplinary, grievance and non-discrimination agreements and codes. No breaches of fundamental rights conventions were alleged, nor were any charges brought against the Company in connection with these, during the year.

Freedom of association is recognised as a fundamental right within the Group, and collective bargaining is encouraged. With the exception of Australia and the United States, where collective bargaining is not common in the resources sector, and in Tanzania where most employees have chosen not to belong to a representative union, collective bargaining structures are in place at all operations. Around 93 percent of the Group's workforce is represented by recognised trade unions or provided for by way of collective bargaining processes. In the United States, Australia and Tanzania, a high degree of employee participation is encouraged.

All forms of discrimination, including racial and sexual harassment and discrimination against the disabled, are prohibited by the Company's business principles as well as by legislation in most of the countries in which the Company operates. Policies are in place at all operations to protect employees from prejudice and, in some countries, to promote the advancement of certain groups of employees. Specifically in countries in Africa and in Australia, the rights and promotion of indigenous peoples, the historically disadvantaged and women are provided for in law and adopted and followed by the Company.

Regional health

The management of HIV & AIDS and malaria is undertaken on a regional and operational basis, with the appropriate level of resources dedicated to the threat posed by the disease.

The HIV & AIDS pandemic is at its worst in southern Africa, with the highest levels of prevalence estimated at the South African operations. Other countries where HIV & AIDS is of concern are Namibia, Ghana, Guinea and, to a lesser extent, Tanzania and Mali.

The Company's response to HIV & AIDS is underpinned by the board-approved HIV & AIDS policy and, in South Africa, is supported by an HIV & AIDS agreement between the Company and various unions. While the Company recognises that HIV & AIDS continues to have a major impact on employees and the Company, it also believes that this impact can be managed. The provision of anti-retroviral therapy ("ART"), along with comprehensive prevention and treatment campaigns, has meant that mortality rates have declined, while absenteeism remained stable.

The Company's malaria programmes and protocols are based on World Health Organization ("WHO") standards and guidelines. As malaria is something that affects whole communities, and not just employees of the Company, a holistic approach is taken. Regionally, the Group is involved with initiatives by government and by non-governmental organisations ("NGOs") to combat the disease, and national guidelines are applied and provide the context for the various programmes.

Malaria remains an area of concern for the Company's operations in Ghana, Guinea, Mali and Tanzania, although employees at the South African operations may contract the disease when travelling to their homes in malaria-infected areas in neighbouring states. Key elements of the malaria control programme are:

- information, education and communication, particularly among the communities;
- vector control, which is essentially the control of mosquitoes through indoor residual spraying and larviciding of breeding areas;
- early, effective diagnosis and treatment; and
- surveillance, monitoring and research.

An extensive integrated malaria control programme is in place at Obuasi and the lessons learned here are being applied elsewhere.

Environment

While day-to-day responsibility for environmental issues lies with mine and project management, the Group's corporate environment team provides strategic guidance and monitors performance against Company standards. Site-based and regional environmental specialists contribute to operational environmental functioning and combine to make up the Environmental Steering Committee at a group level. The senior environmental and community affairs functions at a corporate level were amalgamated during the year, reflecting the reality on the ground, where the natural and social environments are interdependent.

As a minimum, all operations are expected to comply with legislation, regulations and permits in their countries of operation, and with the obligations that the Company has entered into (ICMM sustainable development framework and position statements, ISO 14001, International Cyanide Management Code, etc). All operations are required to implement the Group's Environmental Policy, and country- and operation-specific policies are encouraged as a means of putting it into effect within a local context. Group environmental standards have been and are being developed in support of the policy.

All the Company operations have environmental management systems ("EMSs") in place that are certified to the ISO 14001 standard. All operations are expected to maintain certification to the standard and to meet their individual targets as part of the Group's commitment to continual improvement in environmental performance. All sites audited as part of the ISO surveillance programme or for recertification successfully retained their certification.

The Corporate Environmental Review Programme ("CERP"), first undertaken in 2007, verified that significant environmental aspects had been identified in each operation's management system, and assessed whether appropriate programmes had been established to monitor and manage these aspects. During 2008, a programme of follow-up visits was undertaken to sites with significant environmental risks to ensure that acceptable controls were either being implemented or maintained. The results of CERP 2007 were used as the basis of the first Company-wide environmental award, which was made to Brasil Mineração in Brazil.

A central tenet underlying the Group's targets and performance is its commitment to optimising resource usage and reducing waste. The nature of the ore body, mining methods and metallurgical processes employed differ from mine to mine, as do the circumstances in which mines operate. Hence, environmental priorities are identified and dealt with on a site-by-site basis.

Means to minimise and prevent pollution by operations of the surrounding environment are considered and typically built into mining projects at the start of the project. However, this has not always been the case at operations established many decades ago, when legislation was less stringent and when the technologies and practices used today were largely unknown. This has resulted in the capacity of the pollution prevention systems at several operations being unable to meet current requirements. Projects to address this are in place at operations affected in South Africa and Ghana. All operations are required to report all major environmental incidents to the corporate office. A summary of these reports is submitted quarterly to the Executive Committee and the Board Safety, Health and Sustainable Development Committee. The Company defines a "major incident" as one which could affect the Company's reputation or which results in a cost to the Company exceeding U.S.\$100,000, including fines, compensation, clean-up, loss of production and anticipated litigation costs.

104 major environmental incidents were reported in 2008, far more than in 2007. Most of these incidents fell into the categories of unpermitted gas emissions, unauthorised solution overflows or discharges and pipeline failures, which occurred at the metallurgical operations in South Africa and the Obuasi Mine in Ghana. The increase in the number of incidents reported over time is partly a function of more comprehensive reporting brought about by the implementation of better environmental management systems.

The Company intends to revisit the environmental incident classification system during 2009 in order to align it with the revised risk management system.

In 2008, the Company embarked on a process to develop a business case for responding to climate change, with 2007 used as the benchmark year. A three-part study, begun in detail in September 2008, includes:

- a group-wide assessment to determine more precisely the greenhouse gas footprint of all the Company; and
- a comprehensive assessment to determine risks to which the Company is exposed as a result of climate change.

Various risk categories (financial and investment, physical, and legal/regulatory) are being considered to reduce the Company's dependence on fossil fuels. Given the Group's focus on delivering value, the process aims to identify multiple and highly probable Clean Development Mechanism ("CDM") projects. For the Company, carbon trading presents a particular opportunity; around 84 percent of the Company's gold production comes from developing countries, which are eligible for CDM projects.

The Company, as part of its commitment to environmental stewardship, considers long-term sustainability of the land on which its operations are located to be an integral part of its responsibility. A number of its operations and projects are located in environmentally sensitive areas. A key objective for the year was to use the ICMM's Good Practice Guidance to improve the management of biodiversity-related issues in association with appropriate external organisations. A new draft standard on biodiversity, currently under development, is based on the ICMM document.

Community

Further refinement of the community affairs management framework continued during the year. An additional module on human rights and security is being refined, to support the new security discipline and in compliance with the Voluntary Principles on Security and Human Rights. In view of the integration of the community and environmental aspects of the business from a management perspective, a decision was taken late in 2008 to include community aspects in the existing ISO 14001 management systems in place at all operations. It is envisaged that this process will take two to three years.

The existing community management system, incorporating the stakeholder engagement action plans ("SEAPs") and integrated development action plans ("IDAPs") and the accompanying toolkits, is being redrafted into management standards on stakeholder engagement, social investment, cultural heritage and sacred sites, indigenous peoples and artisanal and small-scale mining ("ASM"). The Company land use management and land acquisition standard is being finalised and a specialist resettlement company has been appointed to provide greater support to operations in developing and implementing robust land management and resettlement practices.

Also at a corporate level, the Company engaged with international advocacy and voluntary bodies to develop standards, norms and best practice, such as the International Council for Mining and Metals ("ICMM") and the International Organization for Standardization ("ISO"). The Company supports, and has participated in discussions and programmes initiated by, the Responsible Jewellery Council ("RJC"), the World Gold Council ("WGC"), and the Initiative for Responsible Mining Assurance ("IRMA").

In a number of countries, legislation and regulation are in place to guide companies regarding local community imperatives. In South Africa, the Mineral and Petroleum Resources Development Act ("MPRDA") requires that all mining operations submit and adhere to a social and labour plan ("SLP") as a prerequisite for the granting of new order mining rights and that they report their compliance with the MPRDA in accordance with the Mining Charter. In addition to specific human resource-related issues, the Mining Charter requires that a mining company engages with communities in the vicinity of its operations and from which it draws its workforce. The Company was granted its licence conversions in respect of all of its operations in August 2005 and has reported on progress made against its SLP targets and commitments in its social and labour plan reports.

The Company is also committed to engaging with NGOs, community-based organisations ("CBOs") and other stakeholders on issues of mutual concern. Underpinning its strategy is the Group's view that it is desirable that the various parties engage directly in relationships based on a mutual recognition of each other's legitimate right to operate. Specific structures are being put in place to deal with grievances and legacy issues.

During the year, the Group continued with its strategy of building relationships with key stakeholders and interest groups, monitoring emerging trends, being proactive where possible, and responsive where issues arose unexpectedly.

A number of incidents relating to community issues and human rights were recorded during the year. Areas of greatest concern to the Company are the continued clashes with artisanal miners operating illegally at Obuasi in Ghana and Siguiri in Guinea. Significant incidents include those involving:

- community members on the mine property who are engaged in illegal activities;
- clashes between the mine and contractor security personnel and community members; and
- protest action against the Company.

The vast majority of these incidents (outside of protest action) stem from individuals involved in illegal activities.

A distinction is made between the death and injury of individuals involved in illegal activities without active security intervention and those incidents where security interventions led to the death or injury of community members. In the case of the former, there were 27 deaths and one injury due to falls of ground in the course of artisanal, and in most cases, illegal mining, and one death of a person suspected of attempting to steal fuel from a haul truck. In the case of the latter, three deaths occurred and three community members were injured. Twelve Company security personnel sustained injuries, some serious, while carrying out their duties. There were five incidents of significant protest action during the year with gunshot injuries being sustained.

The continued presence of artisanal and small-scale mining ("ASM") at the Company's operations and exploration sites in Ghana, Guinea, Tanzania and the DRC presents a significant challenge to the Company, resulting in various social, environmental and safety incidents. ASM activity has resulted in third-party fatalities on the Company's lease areas. ASM communities seldom share information on safety incidents given that these activities are often illegal.

The Company's position on ASM is that the Group will act, first and foremost, in accordance with local regulations and legislation. However, the Company recognises the historical and current roles and rights of artisanal and small scale-miners, and that engagement is a critical factor in dealing with the issue. The Company believes that co-existence with ASM is not only possible, but also desirable.

The Group is in favour of promoting the development of orderly, viable ASM sectors in collaboration with host communities and governments in exchange for respect for the security of the Group's operations. However, in most cases, these aspirations have not yet been achieved. There is an inherent potential for conflict between large-scale operators, working within a formal, regulated land tenure framework, and small-scale miners on the other, often outside of any regulations. The Company believes that government needs to take a leading role in addressing ASM. It is also conscious that ASM is largely a social issue that can only be addressed through the upliftment of communities – an area in which the Company has an important role to play.

As exploration and mining activities frequently occur in remote areas or in regions where there is very little other economic activity, their relative impact is often heightened. Therefore, the impact of potential and existing mining activities must be considered at all stages of an operation's life cycle, from exploration, through its operating life, to eventual closure.

A range of potential impacts and mitigating measures are identified when an environmental and social impact assessment is initially conducted, and mitigating measures are then incorporated into the environmental management plans ("EMPs") over an operation's life of mine. Similarly, planning for closure takes into account both the environmental and social impacts that will be the mine's legacy to the community. Planning begins well in advance of closure which is a matter for discussion at most community engagement forums.

By supporting local economic development, operations can ensure that they play a positive role in the sustainable economic development of local communities. The fact that some mining operations are short-lived, and not all exploration projects necessarily become mines, presents a challenge as there is only a limited period in which to make an impact. Many of the Group's operations are located in areas of great need, where development has been minimal, resources are scarce and high levels of poverty exist. The need to invest appropriately and in a manner that is sustainable is frequently countered by pressure from communities, and indeed governments, to receive tangible and immediate benefits. Where this makes sense, particularly in economically underdeveloped regions, operations are encouraged to develop partnerships with parties such as other mining companies and companies in other industries, contractors, NGOs and government to ensure more effective delivery. The newly developed social investment management standard will specifically address local economic development and this area of work (particularly the development of alternative livelihoods) will continue to be a focus in 2009.

In 2008, the Company spent around U.S.\$16 million on corporate social investment (2007: around U.S.\$8 million). For accounting purposes, corporate social investment expenditure is defined as the voluntary investment of funds in the broader community through programmes spanning a range of development and maintenance activities that seek to complement the work of government, NGOs and CBOs, where the target beneficiaries are external to the Company. Corporate social investment specifically excludes those activities where the purpose is primarily commercial, such as, marketing, employee benefits or public relations activities.

Securing land to explore and conduct new mining activities and extend existing ones underpins the viability of the Company. Surface land area may be required to conduct mining operations, with a permanent loss of surface features and structures, particularly for opencast mining, but also for underground mining and metallurgical processing infrastructure. Land is a particularly sensitive and emotive issue, and resettlement and compensation continues to be major considerations in the planning of mining activities.

Many communities have long-standing cultural and economic associations with the land on which they reside. It is therefore necessary for the Company to engage with communities regarding resettlement, and to compensate them fairly and appropriately as part of a rigorous and recognised resettlement process. The Group also needs to ensure that mechanisms are in place to address grievances or legacy issues that have arisen in respect of past access to land.

Following a detailed review of the Company's resettlement and compensation practices in 2007, the Company has developed a new approach to land management and its practice. The new the Company policy resettlement policy draws on the International Finance Corporation's ("IFC") policies on Involuntary Resettlement.

Information in this section has been extracted from the Report to Society 2008, which is the Company's sustainable development report. This report has been compiled in accordance with the Global Reporting Initiative ("GRI") G3 guidelines and has been assured by independent auditors.

Organisational structure

Head office structure and operations

The Company's operations are organised on a country basis. Management of the Company is entrusted to the executive committee, comprising the two executive directors, eight executive vice presidents and two vice presidents. See "Management". Day-to-day management of the operations

vests with executive teams based in South Africa (Johannesburg and Potchefstroom), Ghana (Accra), United States (Denver), Brazil (Nova Lima), and Australia (Perth).

Corporate activities

Activities provided in the corporate area fall into three categories. First, support is provided to the executive committee in managing the Company as a whole. Second, certain activities are managed centrally, including strategic and business planning, marketing, corporate finance, treasury, exploration, technology and innovation, corporate secretarial and corporate affairs. Third, certain specialised services are directed from the centre although they are managed by operations. These include mining, engineering, metallurgy, mineral resource management, safety and health, the environment and human resources.

Exchange Controls

Exchange controls and other limitations affecting security holders

The following is a general outline of South African exchange controls and such outline may not apply to former residents of South Africa. Investors should consult a professional advisor as to the exchange control implications of their particular investments.

South African law provides for exchange control regulations, which restrict the export of capital from the Common Monetary Area, which comprises South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia. The exchange control regulations, which are administered by the Financial Surveillance Department (formerly, the Exchange Control Department, of the South African Reserve Bank (the "SARB"), are applied throughout the Common Monetary Area and regulate transactions involving South African residents, including natural persons and legal entities. Government officials have from time to time stated their intentions to lift South Africa's exchange control regulations when economic conditions permit such action. In his budget speech in March 1998, the Minister of Finance announced that restrictions relating to offshore investments by South African companies and individuals subject to South African exchange control would, to a limited extent, be lifted.

Since then, the government has incrementally relaxed aspects of exchange control for financial institutions and individuals. However, it is impossible to predict with any certainty when the government will remove exchange controls in their entirety.

The comments below relate to exchange controls in force at the date of this annual report.

Investments in South African companies

A foreign investor may invest freely in shares in a South African company. Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction. Acquisitions of shares or assets of South African companies by non-South African purchasers are not generally subject to review by the SARB when the consideration is in cash, but may require SARB review in certain circumstances, including when the consideration is equity in a non-South African company or when the acquisition is financed by a loan from a South African lender.

Dividends

Dividends declared to foreign stockholders are not subject to the approval by the SARB. Dividends are freely transferable to foreign stockholders from both trading and non-trading profits earned in South Africa by publicly listed companies.

Interest

Interest on foreign loans is freely remittable abroad, provided the loans received prior SARB approval.

Voting rights

There are no limitations imposed by South African law or by the memorandum and articles of association of the Company on the rights of non-South African shareholders to vote the shares.

Overseas financing and investments

The Company and its South African subsidiaries require SARB approval to raise debt from and repay debt to non-residents of the Common Monetary Area, mainly in respect of the interest rate and terms of repayment applicable to the loan.

Debt raised outside the Common Monetary Area by the Company's non-South African subsidiaries is not restricted under South African exchange control regulations and can be used for overseas investment, subject to any conditions imposed by the SARB in connection with establishing such a subsidiary. The Company and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of its subsidiaries with regard to funds obtained from non-residents of the Common Monetary Area.

Debt raised outside the Common Monetary Area by the Company's non-South African subsidiaries must be repaid or serviced by the Company's foreign subsidiaries.

A listing by a South African company on any stock exchange other than the JSE Securities Exchange in connection with raising capital requires permission from the SARB.

Under current exchange control regulations, offshore investments by the Company and its South African subsidiaries require the approval of the SARB. Subject to approval, there is no limit on the amount of capital that may be invested offshore.

DEFINITIONS

"2008 Term Facility"	the U.S.\$1 billion term facility with Standard Chartered Bank entered into under the Syndicated Term Facility Agreement dated on or around 20 November 2008
"A\$" or "Australian dollar"	Australian dollar, the official currency of Australia
"AA plc"	Anglo American plc, a public limited company incorporated in England and Wales with registered number 3564138
"ADSs"	American Depositary Shares
"AngloGold Ashanti", "AngloGold Ashanti Limited" or "Company"	a limited company incorporated in the Republic of South Africa with registered number 1944/017354/06 (formerly AngloGold Limited) and, where relevant, its subsidiary undertakings
"Argentinean peso"	Argentinean peso, the official currency of Argentina
"ASX"	The Australian Stock Exchange Limited
"BRL" or "real"	Brazilian real, the official currency of Brazil
"by-products"	any products that emanate from the core process of producing gold, including silver, uranium and sulphuric acid
"Carbon-in-pulp" or "CIP"	gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks; the leached slurry then passes into the CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed onto the carbon; the granules are separated from the slurry and treated in an elution circuit to remove the gold
"Cedi" or "¢"	Ghanaian Cedi, the official currency of the Republic of Ghana
"CC&V"	Cripple Creek & Victor Gold Mining Company, a joint venture between AngloGold (Colorado) Corp. and Golden Cycle Gold Corporation since 1976
"CDIs"	AngloGold's Clearing House Electronic Subregister System (or CHES) Depository interests, five of which represent one share
"Clearstream Luxembourg"	Clearstream Luxembourg, société anonyme, Luxembourg
"delta"	the change in price of the instrument for a change in price of the underlying asset; this can be practically interpreted as the amount of gold that would need to be bought or sold in order to neutralise the change in the marked-to-market value of the hedge position for a small change in the price of gold. This is calculated using the Black Scholes option formula with the ruling market prices, interest rates and volatilities as at the relevant date of calculation

"depletion"	the decrease in quantity of ore in a deposit or property resulting from extraction or production
"dilution"	rock that is of necessity moved along with ore in the mining process, consequently lowering the grade of ore
"Eldorado"	the Eldorado Gold Corporation based in Vancouver, Canada is an international gold producing company
"electro-winning"	a process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily into gold bars
"elution"	recovery of the gold from the activated carbon into solution before zinc preparation or electro-winning
"Euroclear"	Euroclear Bank S.A./N.V.
"FSMA"	the Financial Services and Markets Act 2000
"GBP"	Pound sterling, the official currency of the United Kingdom
"GCGC"	Golden Cycle Gold Corporation, a wholly owned subsidiary of AngloGold Ashanti Limited
"Ghana"	the Republic of Ghana
"grade"	the quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore (oz/t) or grams per metric tonne (g/t)
"Group"	the Company and its subsidiaries and subsidiary undertakings and, where the context requires it, its associated undertakings
"GSE"	the Ghana Stock Exchange
"IFRS"	International Financial Reporting Standards
"JSE"	the JSE Limited of South Africa
"JSE Circular"	the circular to the Company's shareholders prepared in accordance with JSE's listing requirements pursuant to which the Rights Offer was made
"life-of-mine"	number of years that the operation is planning to mine and treat ore, and is taken from the current mine plan
"LSE"	the London Stock Exchange plc
"metallurgical plant"	a processing plant erected to treat ore and extract gold
"mineral deposit"	a mineral deposit is a concentration or occurrence of material of possible economic interest in or on the Earth's crust
"Mineral Resource" or "Mineral Resources"	mineralisation which has been identified and estimated through exploration and sampling and

	within which Ore Reserves may be defined by the consideration and application of technical, economic, legal, environmental, social and governmental factors
"Morila"	Société des Mines de Morila S.A.
"MPRDA"	the South African Mineral and Petroleum Resources Development Act, 2002
"New Shares"	69,470,442 shares issued pursuant to the Rights Offer
"non-GAAP measure"	a measure of financial performance otherwise than in accordance with IFRS
"NUM"	National Union of Mineworkers
"NYSE"	the New York Stock Exchange, Inc.
"Obuasi Deeps"	the potential deep-level mining development below 50 Level at the Obuasi mine
"Official List"	the official list maintained by the UK Listing Authority
"Ore Reserve"	that part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve determination
"ounce"	used in imperial statistics; a kilogram is equal to 32.1507 ounces; a troy ounce is equal to 31.1031 grams
"productivity"	an expression of labour productivity based either on the ration of grams of gold produced to the total number of employees or area mined (in square metres) to the total number of employees in underground mining operations
"recovered grade"	the recovered mineral content per unit of ore treated generally expressed in ounces per short ton of ore treated (oz/t) or grams per metric tonne of ore treated (g/t)
"reef"	a gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold
"refining"	the final purification process of a metal or mineral
"rehabilitation"	the process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws including, but not limited to, the South African Department of Minerals and Energy, the U.S. Bureau of Land Management, the U.S. Forest Service and the Australian mining authorities, and address, among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues
"Rights Offer"	the approximate one-for-four renounceable, fully underwritten rights offer, which the Company

	announced on the 23 May 2008
"SARB"	the South African Reserve Bank
"SBMSA"	São Bento Mineração S.A.
"SEC"	the U.S. Securities and Exchange Commission
"seismic event"	a sudden inelastic deformation within a given volume of rock that radiates detectable seismic waves (energy) and which may result from mining activities
"Senior Management"	the senior managers of the Company, as more particularly identified under Schedule B and in this Prospectus
"Serra Grande"	Mineração Serra Grande
"Shares"	ordinary shares of the Company of ZAR0.25 par value each
"shaft"	a vertical or sub-vertical excavation used for assessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit
"smelting"	a pyro-metallurgical operation in which gold is further separated from impurities
"South Africa"	the Republic of South Africa
"South African Common Monetary Area"	the South African Common Monetary Area, including the Kingdom of Lesotho, the Kingdom of Swaziland, South Africa and the Republic of Namibia
"subsidiary undertaking"	has the meaning given to that term in the UK Companies Act 1985, as amended
"tailings"	finely ground rock of low residual value from which valuable minerals have been extracted
"tailings dam (slimes dam)"	dam facilities designed to store discarded tailings
"tonnage"	quantity of material measured in tons or tonnes
"tonne"	used in metric statistics and equal to 1,000 kilograms
"total cash costs (total cash costs per ounce)"	total cash costs include site costs for all mining, processing, administration, royalties and production taxes, as well as contributions from by-products but are exclusive of depreciation, depletion and amortisation, rehabilitation, employment severance costs, corporate administration costs, capital costs and exploration costs; total cash costs per ounce is the attributable total cash costs divided by the attributable ounces of gold produced; total cash costs (total cash costs per ounce) are non-IFRS measures of financial performance

"total production costs"	a measure of the average cost of producing an ounce of gold, calculated by dividing the production costs (attributable production costs for AngloGold Ashanti) in a period by the gold production (attributable gold production for AngloGold Ashanti) over the same period; total production costs represent total cash costs (cash operating costs for AngloGold Ashanti) plus depreciation, depletion and amortisation, employee severance costs and rehabilitation and other non-cash costs
"Tshs"	the official currency of Tanzania
"UKLA" or "UK Listing Authority"	the UK Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000, including where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated
"UK Listing Rules"	the rules and regulations made by the UK Listing Authority under Part VI of the UK Financial Services and Markets Act 2000, as amended from time to time
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "U.S."	the United States of America, its territories and possessions, any state of the United States or the District of Colombia and all areas subject to its jurisdiction
"U.S. cents"	United States cents, being a sub-division of the U.S. dollar
"U.S.\$" or "U.S. dollar" or "dollar"	United States dollar, the official currency of the United States
"waste"	material that contains insufficient mineralisation for consideration for future treatment and, as such, is discarded
"yield"	the amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne
"ZAR cents"	South African cents, being a sub-division of the South African rand
"ZAR" or "South African rand" or "rand"	the lawful currency of South Africa