

Operating performance: Tonnage milled initially fell short of budget during the year. This was coupled with a decline in recovered grade as lower grade mining blocks were encountered on the periphery of the pit. Grades recovered towards year-end as mining moved into higher grade zones in Pit 3. The new plant expansion project, which began commissioning in March, provided further constraints resulting in reduced levels of throughput and lower-than-planned recoveries. A technical plan to address these issues was implemented, with performance levels returning to those expected in the fourth quarter. This was negated to some degree by the SAG mill gearbox replacement which took 10 days to complete in August. The new milling circuit reached its expansion design of 350,000tpm by mid-year. Another setback in June was the industrial action experienced – resulting in further loss of production – on the issue of a productivity bonus relating to exceptionally high grades encountered at Morila in 2002. The tense industrial relations climate was resolved with a settlement reached in November.

Total gold production for the year (40% attributable) reduced by 36% to 204,000 ounces, with the average yield falling to 4.44g/t. Total cash costs rose to \$184 per ounce as a result of lower recovered grades, higher fuel prices and a weaker dollar.

Consequently, adjusted operating profit decreased by 53% to \$25 million. Capital expenditure for the year amounted to \$2 million and included the purchase of a crane, a drill rig and community development projects.

Growth prospects: Exploration drilling of the Samacline area located west of the Morila pit will continue in 2005, following up on the encouraging drill results returned in 2004.

Outlook: In 2005, gold production is expected to increase to 258,000 ounces, at a total cash cost of \$173 per ounce. Capital expenditure will decline to \$2 million.

Morila	2004	2003	2002
Pay limit (oz/t)	0.09	0.06	0.08
Pay limit (g/t)	2.81	2.14	2.46
Recovered grade (oz/t)	0.130	0.221	0.349
Recovered grade (g/t)	4.44	7.56	11.96
Gold production (000oz) 100%	510	794	1,052
Gold production (000oz) 40%	204	318	421
Total cash costs (\$/oz)	184	108	74
Total production costs (\$/oz)	263	179	142
Capital expenditure (\$ million) 100%	4	12	17
Capital expenditure (\$ million) 40%	2	4	7
Total number of employees	1,398	1,327	1,169
Employees	479	453	442
Contractors	919	874	727

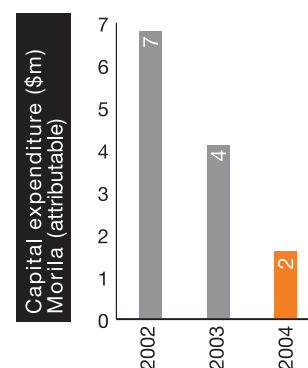
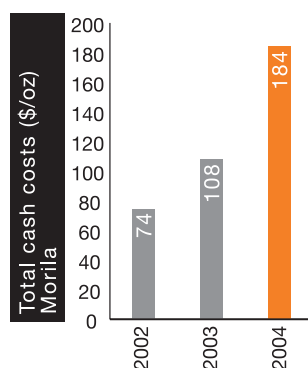
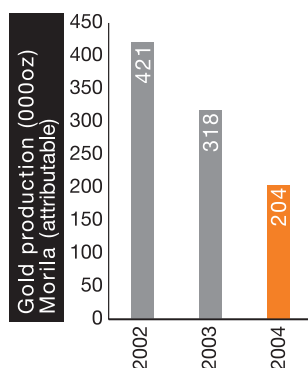
Namibia

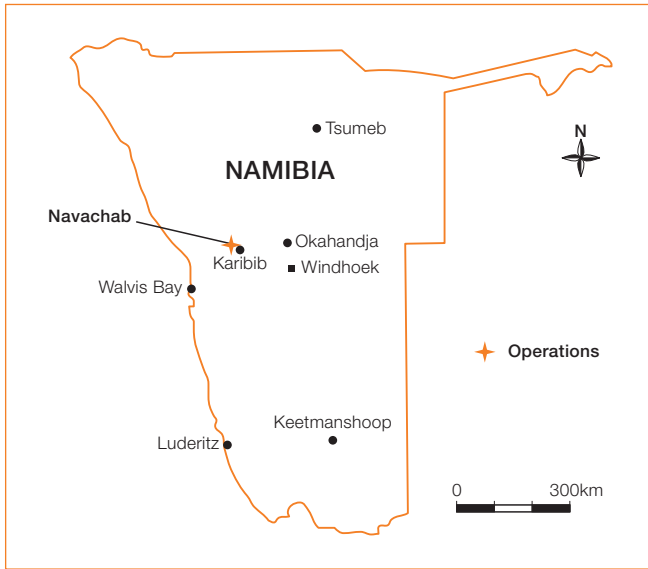
Navachab

Description: AngloGold Ashanti owns 100% of the Navachab open-pit gold mine.

Location: Navachab is located near Karibib in Namibia, on the southern west coast of Africa.

Geology: The Navachab deposit is hosted by Damaran greenschist-amphibolite facies, calc-silicates, marbles and volcanoclastics. The rocks have been intruded by granites, pegmatites and (quartz-porphry dykes) aplite and have also been deformed into a series of alternating





dome and basin structures. The mineralised zone forms a sheet-like body which plunges at an angle of approximately 20° to the north-west. The mineralisation is predominantly hosted in a sheeted vein set (±60%) and a replacement skarn body (±40%).

The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80% of the gold is free milling.

Operating performance: Milled tonnages and recovered grade dropped in the first half of the year as no ore was mined while the operation made the transition to owner-mining, although stockpiles were treated during this period. Tonnage throughput increased in the second half of the year and ended 1% down on 2003 despite an unscheduled shutdown for crusher repairs. Gold production for the year amounted to 67,000 ounces, down by 8% on 2003, while the yield fell by 9% to 1.59g/t.

Total cash costs, at \$348 per ounce, were 27% higher than the previous year, largely due to the weaker dollar, higher diesel prices and lower grades. Good progress was made in improving volumes, grades and efficiencies in the second half of the year. Adjusted operating profit declined to \$1 million. Capital expenditure of \$21 million was significantly higher than the previous year owing to the transition to owner-mining.

Growth prospects: In the short term, mining of shallow ore adjacent to the EZ3 pit will enhance growth, in the longer term a potential pit expansion to fetch footwall mineralisation is being considered. Several brownfields prospects are located within a trucking distance to the pit and are currently under investigation.

Outlook: Gold production is expected to rise to 80,000 ounces in 2005, at a total cash cost of \$277 per ounce. Capital expenditure should decline by 96% to \$1 million.

Navachab	2004	2003	2002
Pay limit (oz/t)	0.05	0.04	0.03
Pay limit (g/t)	1.46	1.38	1.02
Recovered grade (oz/t)	0.046	0.051	0.056
Recovered grade (g/t)	1.59	1.75	1.93
Gold production (000oz)	67	73	85
Total cash costs (\$/oz)	348	274	147
Total production costs (\$/oz)	389	296	162
Capital expenditure (\$ million)	21	2	2
Total number of employees	251*	389	353
Employees	251	180	171
Contractors	-	209	182

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

