

## Review of operations – Namibia

AngloGold Ashanti has one operation in Namibia, the Navachab mine. In 2006, the mine produced 86,000 ounces of gold at a total cash cost of \$265 per ounce, compared with 81,000 ounces at a total cash cost of \$321 per ounce in the previous year.

### Navachab

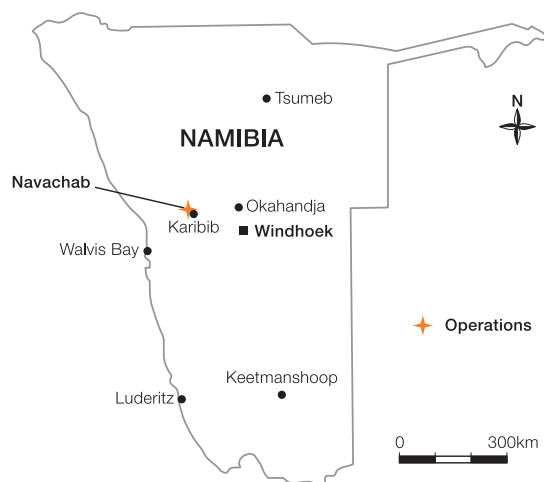
**Description:** AngloGold Ashanti owns 100% of the Navachab open-pit gold mine, which is located near Karibib in Namibia, on the southern west coast of Africa.

**Geology:** The Navachab deposit is hosted by Damaran greenschist-amphibolite facies, calc-silicates, marbles and volcano-clastics. The rocks have been intruded by granites, pegmatites and (quartz-porphphy 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 ( $\pm 60\%$ ) and a replacement skarn body ( $\pm 40\%$ ).

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

### Operating performance

In 2006, gold production rose by 6% to 86,000 ounces as increased tonnage throughput offset the effect of a decline in grade from 2.05g/t to 1.81g/t. Total cash costs decreased by 17% to \$265 per ounce as a result of the increase in gold production, as well as the benefits associated with a stronger US dollar in the third and fourth quarters of the year.



Gross profit adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts more than doubled to \$22 million as a result of increases in both production and the price received.

Capital expenditure remained steady at \$5 million and was incurred mainly on preparation for mining of the Grid A satellite orebody and treatment plant optimisation.

### Growth prospects

Historical studies on a potential pit expansion, which was previously uneconomical, are being reviewed given the current outlook for the gold price. Several brownfields prospects located within trucking distance are currently under investigation.

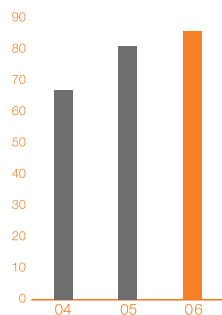
Navachab	2006	2005	2004
Pay limit (oz/t)	0.04	0.05	0.05
Pay limit (g/t)	1.29	1.65	1.46
Recovered grade (oz/t)	0.053	0.060	0.046
Recovered grade (g/t)	1.81	2.05	1.59
Gold production (000oz)	86	81	67
Total cash costs (\$/oz)	265	321	348
Total production costs (\$/oz)	348	326	389
Capital expenditure			
(\$ million)	5	5	21
Total number of employees	313	315	251*
Employees	313	315	251
Contractors	-	-	-

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

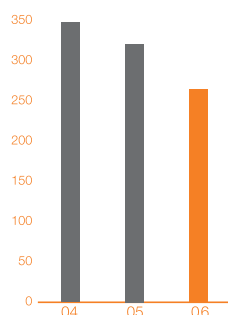
## Outlook

Given the lower expected yields, total production at Navachab is estimated to decline slightly in 2007 to around 80,000 ounces. Total cash costs are forecast to rise to approximately \$359 per ounce, with capital expenditure anticipated to remain steady at \$5 million. This will be spent mainly on a plant upgrade to accommodate higher tonnes in the future, as well as on brownfields exploration.

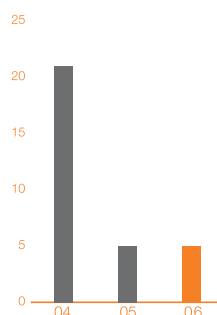
Gold production (000oz)  
Navachab



Total cash costs (\$/oz)  
Navachab



Capital expenditure (\$m)  
Navachab



Attributable contribution to AngloGold Ashanti production in 2006 (%)

