

## Review of operations – Tanzania

AngloGold Ashanti has one operation in Tanzania, the Geita Gold Mine. In 2006, Geita produced 308,000 ounces of gold at a total cash cost of \$497 per ounce. This compares with 613,000 ounces at a total cash cost of \$298 per ounce in 2005.

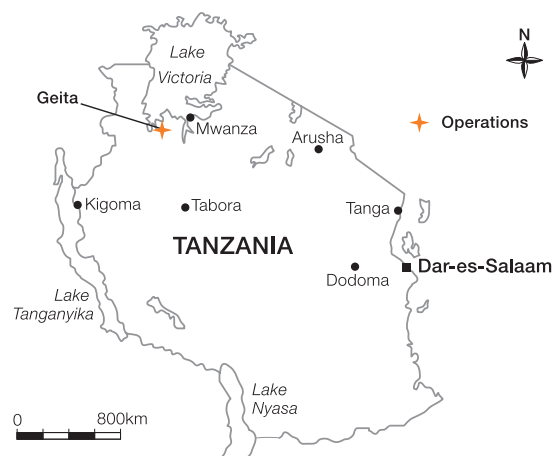
### Geita

**Description:** The Geita mine is located 80 kilometres south-west of the town of Mwanza, in the north-west of the country. It is a multi-pit operation with a CIL plant that has the capacity to treat 6 million tonnes a year.

**Geology:** Geita is an Archaean mesothermal, mainly Banded Ironstone Formation (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). Approximately 20% of the gold is hosted in the diorite.

### Operating performance

In 2006, gold production at Geita decreased by 50% to 308,000 ounces owing to a combination of factors. In the first quarter, drought reduced the water supply to the processing plant and subsequent heavy rains resulted in hauling constraints. This, combined with the slower-than-anticipated cut-back of the Nyankanga pit, resulted in a 46% drop in grade for the year. These matters also contributed to a 67% increase in total cash costs at Geita year-on-year, from \$298 per ounce in 2005 to \$497 per ounce for 2006.



The lower gold production resulted in a gross loss adjusted for the effect of the loss on unrealised non-hedge derivatives and other commodity contracts of \$2 million compared with a profit of \$9 million in 2005.

Capital expenditure of \$67 million included infrastructural expenses associated with the change from contractor mining to owner mining, as well as the purchase of larger trucks and a shovel, and brownfields exploration.

### Growth prospects

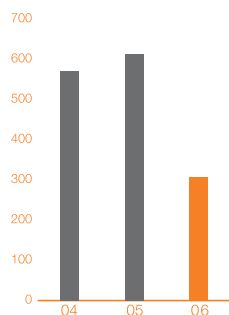
Exploration to identify and generate resources for the inferred category, as well as the conversion of resources into reserves, will continue. Current inferred resources are expected to add four years to life of mine reserves and significant additional surface and underground brownfields potential is anticipated.

Geita	2006	2005	2004
Pay limit (oz/t)	0.13	0.07	0.09
Pay limit (g/t)	4.16	2.27	2.81
Recovered grade (oz/t)	0.049	0.092	0.109
Recovered grade (g/t)	1.68	3.14	3.74
Gold production (000oz) – 100%	308	613	692
Gold production (000oz) – 100% attributable from			
May 2004	308	613	570
Total cash costs (\$/oz)	497	298	250
Total production costs (\$/oz)	595	387	328
Capital expenditure (\$ million) 100%	67	78	14
Capital expenditure (\$ million) 100% attributable from			
May 2004	67	78	13
Total number of employees	3,220	2,280	2,256
Employees	2,043	1,066	661
Contractors	1,177	1,214	1,595

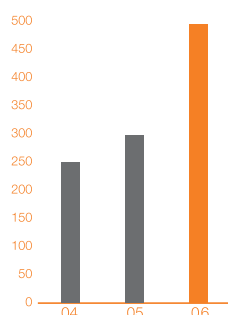
## Outlook

A partial slope failure in the Nyankanga pit in February 2007 has changed the mining sequence of the pit's high-grade area, reducing the 2007 Geita production outlook from a planned doubling to a 30% increase to 400,000 ounces. The planned volumes and grade will still be mined at the operation, but over a longer period of time. Total cash costs are expected to be \$479 per ounce, and capital expenditure will be in the region of \$53 million.

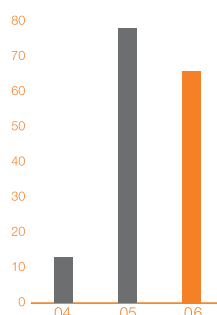
Gold production (000oz)  
Geita



Total cash costs (\$/oz)  
Geita



Capital expenditure (\$m)  
Geita



Attributable contribution to AngloGold  
Ashanti production in 2006 (%)

